

ALBANY PORT DISTRICT COMMISSION
MINUTES OF THE SEPTEMBER 22, 2010 MEETING

Acting Chairman Ferrara called the meeting to order at 12:30 p.m. In attendance were Commissioners Tagliento, Dean, Daly, Chief Financial Officer Hurley, Business Manager Commisso, General Counsel Owens, and Security & Threat Assessment Director Williams. Chairman Cross was out of town.

The minutes of the previous meeting were approved on a motion by Commissioner Dean, seconded by Commission Daly and unanimously approved.

FINANCE COMMITTEE

Investment Policy – General Counsel Owens indicated that Bob Hennes from Johnson & Illington reviewed guidelines regarding the Albany Port District Commission Portfolio. Chief Financial Officer Hurley stated that Kim Sabo from his firm reviewed all transactions prior to execution of such transaction (see attached). Mr. Hurley and Owens indicated they would review the draft policy to determine if its description of operations was accurate.

2011 Draft Operating Budget – Mr. Hurley reviewed at length the 2011 Draft Operating Budget. He indicated that the rent revenue continues to be strong with very few vacancies anticipated. He also stated Administration is working on leasing some of the vacant parcels throughout the Albany and Rensselaer sides of the Port.

Mr. Hurley then highlighted some of the budgeted revenue increases; he feels that the downturn in maritime revenue incurred in 2009 and 2010 may be over. He has budgeted increases in dockage, wharfage, and security revenue. The draft budget will be reviewed and acted up at the October Board meeting (see attached).

REGULAR MEETING

Tonnage/Man Hours – Mr. Hurley reviewed the tonnage and man hours comparisons for August 2010 and August 2009 (see attached).

Snow Plowing RFP - The bid opening for the snow plowing RFP is due on Friday, September 24, 2010 at 4:00 p.m. Staff will review the bids received. Staff requested that based on their determination of the lowest, responsible bidder, the Board authorize the negotiation/execution of a contract with the winning bidder. A motion was proposed and seconded and then unanimously approved allowing the General Manager to negotiate and execute a contract with the appropriate bidder and report said results at the next Board Meeting.

There being no further business motion was made by Commissioner Daly, seconded by Commissioner Tagliento and unanimously approved to adjourn the meeting.

The next scheduled meeting will be **Wednesday, October 20, 2010 at 12:30 p.m.**

ALBANY PORT DISTRICT COMMISSION
MINUTES OF THE MONDAY, AUGUST 23, 2010 MEETING

Chairman Cross called the meeting to order at 12:30 p.m. In attendance were Commissioners Ferrara, Dean, Daly, Tagliento, General Manager Hendrick, Chief Financial Officer Hurley, Business Manager Commisso, General Counsel Owens, Information Technology Specialist McGuinness, Security & Threat Assessment Director Williams, Reverend Hempel and Richard Gunther of Albany Maritime Ministries.

The minutes of the previous meeting were approved on a motion by Commissioner Ferrara, seconded by Commissioner Dean and unanimously approved. The Board adjourned to the Audit Committee.

AUDIT COMMITTEE

Review Internal Control Program - General Counsel Owens reviewed with the Commission the Internal Control Program which had been recently approved by the Board (June 2010). Motion was made by Commissioner Tagliento, seconded by Commissioner Ferrara to approve the few small recommended changes to the policy (see attached). The Board adjourned to the regular meeting.

Tonnage/Man Hours – Chief Financial Officer Hurley reviewed with the Commission the tonnage/man hour comparison for July 2009 and 2010. He indicated a possible upward trend toward the end of the third quarter and into 2011. (see attached).

Wharf Project Update – General Manager Hendrick indicated that the completion date for the project will be extended by six (6) months due to weather conditions bringing the completion date to June 2011.

Albany Renewable Energy – General Counsel Owens again discussed (previously reviewed with the Board in Executive Session in July 2010) with the Commission the July 15, 2010 letter request made by Edward Stahl of Albany Renewal Energy for a modification to the lease with the Albany Port District Commission. The positives (including continued/significant rental revenue to the APDC, payment history of ARE, commitment for marine payment unchanged, recent uncertainty/non-responsiveness/reduced rent amounts proposed with APDC real property RFPs during last year, continued flexibility with current month-to-month tenants on the parcel, etc.) and the negatives (including extended non-development of the parcel, continued uncertainty about financing/project feasibility, etc.) of approving/disapproving the request were discussed and considered by the Board. On a motion by Commissioner Ferrara, seconded by Commissioner Daly and unanimously approved to instruct General Counsel Owens to respond to the request indicating Board approval. (see attached ARE letter of July 15, 2010 and APDC letter of August 25 detailing the conditions to the Board decision).

Executive Session – Motion was made by Commissioner Ferrara to enter into the executive session to discuss various personnel and real estate issues which was seconded by Commissioner Dean and unanimously approved.

Motion was made by Commissioner Ferrara to exit the executive session to return to the regular meeting, seconded by Commissioner Dean and unanimously approved.

Waterford Tug boat Roundup – General Manager Hendrick discussed with the Board the request for sponsorship of the 12th Annual Waterford Tugboat Roundup received from the Waterford Maritime Historical Society. Motion was made by Commissioner Dean, seconded by Commissioner Daly, and unanimously approved to sponsor the roundup in the amount of \$500 per its Sponsorship Guidelines (see attached).

There being no further business motion was made by Commissioner Dean, seconded by Commissioner Ferrara to adjourned the meeting at 2:30p.m.. The next scheduled meeting will be **Thursday, September 30, 2010 at 12:30 p.m.**

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2011 Budget Highlights

Operating Budget

Revenue

The rent roll at the Albany Port District Commission remains strong with very few projected vacancies (attached). Administration is currently showing the vacant parcels of land to various organizations with anticipation of leasing some acreage in fiscal year 2011.

Dockage, wharf age, storage, security, crane rental

These items are considered the majority of the maritime revenue components at the Albany Port District Commission. Management believes that the economic slowdown experienced in 2009 and 2010 will lift in 2011. We are budgeted a very strong year in the area of Grain and Heavy Lift Project Cargo.

Grant Revenue

The Port anticipates completing the Phase I and Phase II of the Dock and Wharf Reconstruction project during 2011.

Expenses

Personal Services – There will be a 4% merit increase in the 2011 budget. Over the past two (2) years there has not been a merit program at the Albany Port District Commission.

Maintenance Contracts

Crane – Administration feels that considering the age of the Liebherr Nenzing Crane it may be advantageous to enter into an annual service contract, the estimated cost will be \$50,000.

ALBANY PORT DISTRICT COMMISSION
OPERATING BUDGET
2011

Draft

<u>REVENUE</u>	<u>2009</u> Budget	<u>2010</u> Budget	<u>2010</u> Annualized	<u>2011</u> Budget
Rent (see attached rent roll)	\$2,902,451.00	\$2,998,525.00	\$2,948,601.00	\$2,902,860.00
Easements				
Dockage	400,000	210,000	251,685	350,000
Wharfage	410,000	325,000	264,444	375,000
Cargo Storage	42,000	42,000	42,000	42,000
Security	251,000	240,000	330,000	475,000
Water Sales & Fees	2,000	4,000	13,903	15,000
Stevedore Revenue Share	235,000	60,000	65,000	110,000
Crane Rental	189,000	80,000	64,050	85,000
Utility Reimbursement	58,000	62,000	55,920	70,000
Postage Reimbursement	25			
Fuel Reimbursement	80,000	30,000	35,131	45,000
Service To Stevedore	48,000	5,000	26,007	35,000
Service To Tenants	36,000	35,000	19,924	25,000
Interest Income & sweep	62,000	40,000	8,500	10,000
Misc (Grant Revenue)	<u>6,500,000</u>	<u>6,125,000</u>	<u>6,600,000</u>	<u>3,950,000</u>

TOTAL REVENUES	\$11,215,476	\$10,256,525	\$10,725,165	\$8,489,860
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OPERATING EXPENSES

**ADMINISTRATION DEPARTMENT
-PERSONAL SERVICES**

General Manager	82,165	82,263	82,263	85,554
Financial Officer	84,763	84,949	84,949	88,347
Business Manager	61,058	60,471	60,471	62,890
Security Director	52,000	52,000	52,000	54,080
Maintenance Foreman	45,750	45,750	45,750	47,580
Data processing Manager	59,280	59,160	59,160	61,526
Information services	45,000	45,000	45,000	46,800
Secretarial	35,805	35,880	35,880	37,315
Real estate	59,666			
General Counsel	<u>65,000</u>	150,000	150,000	156,000
Construction inspector		<u>45,000</u>	<u>45,000</u>	<u>46,800</u>

TOTAL PERSONAL SERVICES	\$590,487	\$660,473	\$660,473	\$686,892
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BENIFITS

Payroll taxes-FICA	83,000	75,000	84,693	102,000
Workmens Compensation	6,000	4,000	9,800	10,000
Employees Health Ins	275,000	240,000	215,883	240,000
ntal Ins. (active)	25,000	25,000	13,823	15,000
Empire Vision Ins. (active)	5,200	8,250	7,181	9,000
Medicare Reimbursement (retired)	9,000	9,300	6,217	8,500
Retirement	<u>68,000</u>	<u>68,000</u>	<u>111,850</u>	<u>165,000</u>
TOTAL BENEFITS	471,200	429,550	449,447	549,500

ALBANY PORT DISTRICT COMMISSION
OPERATING BUDGET
2011

OFFICE EXPENSE				
Office supplies	7,500	7,500	7,991	9,000
Office Equip Maintenance	3,700	1,000	1,261	1,500
Miscellaneous Office Expense	11,000	22,500	12,000	15,000
Printing	2,500	2,000	1,525	2,000
Photo Copier Supplies	2,500	2,000	1,200	1,500
Postage	2,800	2,500	1,609	2,000
Courier	650	200	1,300	1,500
Subscriptions	<u>3,200</u>	<u>2,500</u>	<u>2,133</u>	<u>2,500</u>
TOTAL OFFICE EXPENSE	33,850	40,200	29,019	35,000
SALES				
Marketing	82,000	82,000	85,000	85,000
Public Relations	26,000	16,500	3,112	5,000
Media Advertising	30,000	33,000	36,350	37,500
Media Relations	18,000	8,000	8,107	8,500
Local Sales	6,500	0		
Travel & Incidental Expense	<u>15,000</u>	<u>17,000</u>	<u>16,500</u>	<u>20,000</u>
TOTAL SALES	177,500	156,500	149,069	156,000
PROMOTIONAL				
Material/Events	50,000	60,000	60,000	60,000
Association Dues	<u>13,000</u>	<u>7,520</u>	<u>10,005</u>	<u>12,000</u>
TOTAL PROMOTIONAL	63,000	67,520	70,005	72,000
PROFESSIONAL SERVICES				
Consultants	87,000	125,000	141,000	125,000
Attorney(Outside counsel)	5,000	30,000	9,698	10,000
Legal Fees				
Auditors	38,500	39,500	35,470	39,000
Engineering Service/ Enviromental/Planning	110,000	140,000	117,500	120,000
Payroll Serv.	11,000	13,000	12,565	14,000
Waterfront Development	72,000	80,000	100,000	100,000
Education & Training	<u>12,000</u>	<u>13,000</u>	<u>1,565</u>	<u>5,000</u>
TOTAL PROFESSIONAL SEVICES	576,000	664,520	636,872	641,000
Insurance	196,000	195,000	198,500	199,000
UTILITIES				
Electricity & Gas	165,000	150,000	140,000	150,000
Fuel Oil	6,000	5,000	4,500	5,000
Telephone	22,000	26,000	23,744	26,000
Water & Sewer	<u>8,000</u>	<u>9,000</u>	<u>6,367</u>	<u>7,500</u>
TOTAL UTILITIES	201,000	190,000	174,611	188,500
TOTAL ADMINISTRATION DEPT	2,309,037	2,403,763	2,367,996	2,527,892

ALBANY PORT DISTRICT COMMISSION
OPERATING BUDGET
2011

MAINTENANCE DEPARTMENT	<u>2009</u> Budget	<u>2010</u> Budget	<u>2010</u> Annualized	<u>2011</u> Budget
Laborers	161,600	154,000	152,500	158,080
Security	268,000	236,170	277,500	385,000
Summer help/Custodial	<u>7,500</u>	<u>27,600</u>	<u>15,501</u>	<u>17,680</u>
TOTAL SALARIES	437,100	417,770	445,501	560,760
OVERTIME				
Port Facilities	7,000	9,000	5,532	6,000
Stevedoring	21,000	9,000	9,870	10,000
Ship Watering	<u>700</u>	<u>300</u>	<u>0</u>	<u>0</u>
TOTAL OVERTIME	28,700	18,300	15,402	16,000
TOTAL PERSONAL SERVICES	465,800	436,070	460,903	576,760
Hardware	12,000	6,000	4,000	4,500
Buildings	80,000	92,000	45,000	55,000
Paint	6,000	10,000	3,031	3,500
Misc.	2,000	5,000	3,031	3,500
Janitorial	<u>9,700</u>	<u>10,000</u>	<u>4,710</u>	<u>5,000</u>
TOTAL SUPPLIES AND SERVICES	109,700	123,000	59,772	71,500
MATERIAL HANDLING				
Equipment Rental-for ships	10,000	2,500	0	0
Equipment Rental-Forklift	7,000	1,500	6,180	6,180
Equipment-Mechanical/Welding	6,000	7,000	2,180	3,000
Crane Repairs	15,000	25,000	21,111	23,000
Forklift Repairs	15,000	15,000	22,012	25,000
Parts & Supplies-Crane	6,000	8,000	10,783	11,000
Parts & Supplies-Forklift	20,000	25,000	6,291	13,000
Stevedore equip repair	<u>23,000</u>	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
TOTAL MATERIAL HANDLING	677,500	653,070	594,232	734,440
MAINTENANCE CONTRACTS				
Crane		28,000	0	50,000
Security	25,000	27,000	26,000	27,000
Fire Equipment Sprinklers	15,000	23,000	15,900	16,000
Uniform fees	7,800	8,000	7,500	8,000
Trash Removal	4,500	6,000	2,598	3,000
Snow Removal	50,000	40,000	10,500	15,000
Twic exp	<u>3,000</u>	<u>1,000</u>	<u>520</u>	<u>1,000</u>
TOTAL MAINTENANCE CONTRACTS	105,300	133,000	63,018	120,000
FUEL AND REPAIRS				

ALBANY PORT DISTRICT COMMISSION
OPERATING BUDGET
2011

Repairs-Port	9,500	6,500	7,780	10,000
Fuel and Lubricants-A	97,000	50,000	46,370	55,000
TOTAL FUELS AND REPAIRS	<u>106,500</u>	<u>56,500</u>	<u>54,150</u>	<u>65,000</u>
TOTAL MAINTENANCE DEPARTMENT	889,300	842,570	711,400	919,440
TOTAL OPERATIONS	\$3,198,337.12	\$3,246,333.00	\$3,079,395.50	\$3,447,331.92

ALBANY PORT DISTRICT COMMISSION
ANNUAL RENT PROJECTIONS
2011

<u>ENANT</u>	<u>Term</u>	<u>MONTHLY RENTAL</u>	<u>ANNUAL RENTAL</u>	<u>Total Acreage</u>	<u>Rent Per Acre</u>	<u>Lease comments</u>
Durham School	7/02-6/10	14,968.71	179,625	8	2 options	
Albany Asphalt Co.	1/92-12/2011	4,493.69	53,924	5	10,784.86	Escal by CPI.-20yr option tenant owns bldg
USDA	12/97-12/10	375.00	4,500			Escal by CPI
Albany Renewable Energy	7/09-12/11	30,000.00	360,000	18	20,000.00	Escal by CPI.-
Albany Port employers	yearly	432.24	5,187	0		Escal by CPI.- port owns
Albany Port Railroad	10/75-10/77	211.70	2,540	0		Escal by prime Tenant owns bldg(4000)
Biers & company	4/98-3/18	4,258.18	51,098	4.7	10,871.95	Escal by CPI.-option
Capital Bag & waste	9/98-8/2018	921.95	11,063	1	11,063.40	Tenant owns (1,100 bldg)
Cargill Grain	02/07-02/12	22,916.67	275,000			Escal by CPI-(port owns elevator)
Cargill flour	06/74-5/2024	2,927.91	35,135	12	2,927.91	2-25 options (fixed until 2024)
Westway Trading	09/98-08/13	5,387.19	64,646	2.5	25,858.51	Escal by CPI(not to exceed 4%)
Cargill Nutrena	4/88-3/11	2,557.48	30,690	2	15,344.88	Options to renew-rent only
Buckeye Terminals	02/78-09/65	3,917.00	47,004	32	1,468.88	Rent fixed to 2.005 (2 options of 25 yrs)
CD mann	7/09-6/12	2,500.00	30,000	1		
Federal Marine	05/97-04/13	1,101.00	13,212	0	0.00	Escal yrly by CPI
Jrt Miller Co.	5/90-4/10	2,420.88	29,051	2	14,525.28	Escal yrly by CPI
Gorman Bros Inc	05/84-04/14	3,026.55	36,319	3	12,106.20	Escal yrly by CPI
Rensselear Iron & Steel	5/97-4/14	16,591.71	199,101	10	19,910.05	Escal yrly by CPI (Dockage & Wharage provision)
Coastal Co-gen	10/91-9/2021	17,056.45	204,677	5	40,935.48	Escal yrly by CPI
Normal Truck & Trailor	7/98-6/12	1,259.22	15,111	1	15,110.64	Escal yrly by CPI (Port Bldg)
New England Steamship	02/95-01/11	383.34	4,600	0		
Encon bldg	1/02-11/12	26,180.50	314,166			options
Pugliese F.J	11/99-3/2011	350.00	4,200			Yrly esc w/ (4) 1yr options
Sam Greco	9/98-8/2013	5,355.42	64,265			Escal yrly by CPI-Port owns bldg-options)
Hudson Recycling	4/89-3/2012	11,349.65	136,196	12	11,349.65	Yrly lump sum based on CPI tenant owns bldg
Mohawk Paper	7/02-11/12	49,775.34	597,304			options Port bldg
Waste Management	4/96-3/2015	6,487.22	77,847	4.6	16,923.18	Escal yrly by CPI
Besicorp	6/07-12/10	7,400	22,200			mgm't est 3.mos rent
Albany Aqua Ducks	1/05-1/12	350	4,200			
Huson River Recycling Penalty (no wharfage)			30,000			
Totals			2,902,860			

ALBANY PORT DISTRICT COMMISSION
2011
CAPITAL BUDGET

Draft

<u>DEBT SERVICE REQUIREMENTS</u>	<u>2008</u> Budget	<u>2009</u> Budget	<u>2010</u> Budget	<u>2011</u> Budget
Loan-NYS	80,000	80,000	80,000	80,000
I.A.P Loan (Rail rehab) (\$300,000/5yrs)	<u>90,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BONDS AND NOTES	170,000	80,000	80,000	80,000
 EQUIPMENT LEASES				
Crane (prin & int)	216,000	224,226	224,226	93,427.00
Hyrter Forklifts (prin & int)	19,512	11,043	11,043	11,043
Forklift	<u>13,000</u>	<u>6,144</u>	<u>6,144</u>	<u>6,144</u>
TOTAL EQUIPMENT LEASES	248,512	241,413	241,413	110,614
 Bond interest & expenses(loc/remarket)				
	130,000	110,000	130,000	105,000
Warehouse lease (prin & int)	104,000	104,620	104,620	104,620
Corning Park (prin)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
TOTAL DEBT SERVICE(inc bonds & leases)	434,620	414,620	434,620	409,620
 DEPRECIATION				
Depreciation on contributed capital	1,225,000	1,221,000	1,495,000	1,525,000
Depreciation on other facilities	<u>395,000</u>	<u>440,000</u>	<u>320,000</u>	<u>330,000</u>
TOTAL DEPRECIATION	1,620,000	1,661,000	1,815,000	1,855,000

PROPOSED CAPITAL ITEMS FOR FISCAL YEAR 2011

GUIDELINES FOR INVESTMENTS
ALBANY PORT DISTRICT COMMISSION

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Albany Port District Commission ("APDC").

1) Purpose.

These investment guidelines are intended to:

- a) Establish a system whereby current funds on hand, in excess of immediate needs, are invested to assure that such investment assets are adequately safeguarded and collateralized;
- b) Assure that such investments are adequately liquid to meet the needs of the APDC;
- c) Assure that an adequate system of internal control is maintained; and
- d) Assure that such investments produce a reasonable rate of return.

The primary objective is protection of principal.

2) Authorization and Management.

The Members of the Albany Port District Commission have delegated the authorization decisions regarding investments to the General Manager and/or Chief Financial Officer in consultation with the Chairman or the Treasurer of the Commission. These persons make certain that all decisions conform to:

- a) Chapter 192 of the Laws of 1925, State of New York, as amended (also known as the APDC's enabling legislation);
- b) 2 NYCRR Part 201 ("Accounting, Reporting and Supervision Requirements for Public Authorities"); and
- c) Section 2925 of the Public Authorities Law.

The General Manger and/or Chief Financial Officer are authorized to deposit all funds received by the Commission in Money Market Accounts or Certificates of

Deposit in banks with which the Commission normally does business, consistent with these guidelines.

3) Types of Investments and Contracts.

The approved types of investments are as follows:

- a) Securities issued by or guaranteed by the U.S. Government or one of its Agencies.
- b) Certificates of Deposit that are collateralized or fully insured by the Federal Deposit Insurance Corporation for principal and expected interest.
- c) Deposits in "Money Market Type" accounts of banks doing business in New York that are collateralized or fully insured by the FDIC as to principal and expected interest.
- d) Obligations of New York State or obligations in which the principal and interest are guaranteed by New York State, or municipalities of New York State.

Since it is not a regular business practice for a written contract with respect to these types of investments, no written contract is required. The operating practices herein shall govern.

- e) In no event will the final maturity of any purchased security exceed one year unless the security has an adjustable coupon rate. In this event, the coupon rate must adjust no less frequently than every three months, must be positively correlated with market interest rates and possess a final maturity of seven years or less. Except that the lesser of \$500,000 or 25% of the portfolio may be invested as long as five years in a liquid and readily marketable security that conforms with all other requirements of this policy statement.

4) Operating Procedures.

- a) Approvals: The Commission requires that the _____ approve all investment transactions in consultation with the Chief Financial Officer or General Manager.
- b) Collateral Custody: The Custodian of all collateral involved in any investment transaction must be either the Commission or bank or trust company acceptable to the Commission. If, at any time during the term of a certificate of deposit, deposit in money market account, the collateral or underlying security market value does not equal the principal value of the investment, the Commission shall inform the bank of additional collateral required. If additional collateral is not added immediately by the bank involved, the Commission shall demand the return of the amount invested and remove such bank from the list of approved banks for investment and deposit of Commission funds. Any custodian or trustee of

securities in any transaction of which the Commission is a principal may not relinquish control over such securities without written consent of the Commission and the bank. In accordance with the provisions of Public Authority Law, § 2925, paragraph 3 (c) (iv), and with express permission of the Commission, collateral in the case of a repurchase agreement need not be held by a third party if it is in book-entry form and in securities guaranteed by either the State of New York or the United States Government, or other securities acceptable under the New York State Comptroller's Guidelines, and the Port retains the perfected security interest in such obligations or title to such obligations.

- c) The Commission requires that any bank with which it makes an investment either be the principal in regard to the transaction, or if a placement agent is used, such information must be disclosed to the Commission.
- d) In addition to the normal entries in cash receipts, cash disbursements and general ledger regarding investments, the Commissioner's Chief Financial Officer will maintain a schedule for each bank with which the Commission makes investments showing:
 - 1. Date of transaction.
 - 2. Description and amount of investment.
 - 3. Interest Date.
 - 4. Maturity date of CD, or Bond.
- e) Prior to making an investment, at least two banks will be contacted to determine the best rate available. Investments may be made by a telephone call to the banks. If the investment is a Certificate of Deposit, such Certificate may be mailed to the Commission or, picked up by an agent of the Commission. The Certificate of Deposit may also be held by the Commission's Custodian. If there is collateral involved, the Commission will immediately contact the designated custodian or trustee of the collateral and receive from custodian a written instrument requiring the Commission's agreement before custody may be relinquished. In practice, banks will usually deposit a certain amount of securities for a specified amount of time, equal to the probable maximum amount the Commission would be investing during such period, i.e., a month or ninety days.
- f) The Commission requires the custodian to send verification of funds/securities held for the Commission whenever requested to do so by the Commission.

5) Collateralization.

- a) The collateral for Certificate of Deposit, Money Market Fund Deposits, is limited to "Investment Grade" obligations that are direct obligations of the United States or New York State Government or obligations the principal and interest of which are guaranteed by the United States or New York Government, or municipalities of New York State.

- b) Whenever investments require collateralization, such investments must be collateralized by “Investment Grade” obligations as defined in item a) above.

6) Modifications.

- a) The APDC will review these guidelines annually in conjunction with the annual independent audit or at any time for statutory, regulatory, or policy modifications and may be resolution, modify these procedures at any time.

7) Reports and Audits.

The following reports and audits shall be prepared in connection with the APDC’s Investment program.

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- a) The APDC’s chief fiscal officer shall provide the Board semi-annual reports regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agents, dealers or auditors.
- b) Annual Investment Report. The APDC’s chief fiscal officer shall prepare and submit an annual investment report to the Board after the close of each fiscal year of the APDC. Upon Board approval, the report shall be filed with the Division of the Budget, Senate Finance Committee, Assembly Ways and Means Committee, Department of Audit Control. Such report shall include the following:
 - 1. The investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
 - 2. An explanation of the Investment Guidelines and Amendments;
 - 3. The results of the Annual Investment Audit described below;
 - 4. The investment income results of the APDC; and
 - 5. A list of the total fees, commissions or other charges paid for APDC investment associated services by the APDC since the date of the last investment report.
- c) Annual Investment Audit. Each year, the APDC shall cause its independent auditors to conduct an audit (the “Annual Investment Audit”) regarding the APDC’s investments. The Annual Investment Audit:
 - 1. Shall determine whether the APDC complies with its own investment policies; investment assets are adequately safeguarded given the statutory investment mandates; adequate accounts and records are maintained which accurately reflect all transactions and report on the disposition of the APDC’s assets; and a system of adequate internal controls is maintained.
 - 2. Shall determine whether the APDC has complied with the applicable laws, regulations, and State Comptroller’s Investment

Guidelines and such public authority accounting directives as may be issued by the State Comptroller; and

3. Should be designed to the extent practical to satisfy both the common interest of the APDC and the public officials accountable to others.

d) Annual Investment Audit Report. The results of the Annual Investment Audit Report shall be set forth in a report (the "Annual Investment Audit Report") which shall include:

1. A description of the scope and objectives of the audit;
2. A statement that the audit was made in accordance with generally accepted government auditing standards;
3. A description of any material weaknesses found in the internal controls;
4. A description of all non-compliance with the APDC's Investment Guidelines as well as applicable laws, regulations and the State Comptroller's Investment Guidelines and such public authority accounting directives as may be issued by the State Comptroller;
5. A statement of positive assurance of compliance on the items tested and negative assurance on those items not tested;
6. A statements on any other material deficiency or finding identified during the audit not covered in 5 above; and
7. Recommendations, if any, with respect to amendment of the APDC Investment Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the APDC's fiscal year with the Office of Budget and Policy Analysis of the State Comptroller.

November 2010

GUIDELINES FOR INVESTMENTS
ALBANY PORT DISTRICT COMMISSION

These guidelines detail the operative policy regarding the investing, monitoring and reporting of funds of the Albany Port District Commission (“APDC”).

1) Purpose.

These investment guidelines are intended to:

- a) Establish a system whereby current funds on hand, in excess of immediate needs, are invested to assure that such investment assets are adequately safeguarded and collateralized;
- b) Assure that such investments are adequately liquid to meet the needs of the APDC;
- c) Assure that an adequate system of internal control is maintained; and
- d) Assure that such investments produce a reasonable rate of return.

The primary objective is protection of principal.

2) Authorization and Management.

The Members of the Albany Port District Commission have delegated the authorization decisions regarding investments to the General Manager and/or Chief Financial Officer in consultation with the Chairman or the Treasurer of the Commission. These persons are to make certain that all decisions conform to:

- a) Chapter 192 of the Laws of 1925, State of New York, as amended (also known as the APDC’s enabling legislation);
- b) 2 NYCRR Part 201 (“Accounting, Reporting and Supervision Requirements for Public Authorities”); and
- c) Section 2925 of the Public Authorities Law.

The General Manger and/or Chief Financial Officer are authorized to deposit all funds received by the Commission in Money Market Accounts or Certificates of

Deposit in banks with which the Commission normally does business, consistent with these guidelines.

3) Types of Investments and Contracts.

The approved types of investments are as follows:

- a) Securities issued by or guaranteed by the U.S. Government or one of its Agencies.
- b) Certificates of Deposit that are collateralized or fully insured by the Federal Deposit Insurance Corporation for principal and expected interest.
- c) Deposits in "Money Market Type" accounts of banks doing business in New York that are collateralized or fully insured by the FDIC as to principal and expected interest.
- d) Obligations of New York State or obligations in which the principal and interest are guaranteed by New York State, or municipalities of New York State.

Since it is not a regular business practice for a written contract with respect to these types of investments, no written contract is required. The operating practices herein shall govern.

- e) In no event will the final maturity of any purchased security exceed one year unless the security has an adjustable coupon rate. In this event, the coupon rate must adjust no less frequently than every three months, must be positively correlated with market interest rates and possess a final maturity of seven years or less. Except that the lesser of \$500,000 or 25% of the portfolio may be invested as long as five years in a liquid and readily marketable security that conforms with all other requirements of this policy statement.

4) Operating Procedures.

- a) Approvals: The Commission requires that the Treasurer or other designated Commissioner approve all investment transactions in consultation with the Chief Financial Officer or General Manager.
- b) Collateral Custody: The Custodian of all collateral involved in any investment transaction must be either the Commission or bank or trust company acceptable to the Commission. If, at any time during the term of a certificate of deposit, deposit in money market account, the collateral or underlying security market value does not equal the principal value of the investment, the Commission shall inform the bank of additional collateral required. If additional collateral is not added immediately by the bank involved, the Commission shall demand the return of the amount invested and remove such bank from the list of approved banks for investment and deposit of Commission funds. Any custodian or trustee of

securities in any transaction of which the Commission is a principal may not relinquish control over such securities without written consent of the Commission and the bank. In accordance with the provisions of Public Authority Law, § 2925, paragraph 3 (c) (iv), and with express permission of the Commission, collateral in the case of a repurchase agreement need not be held by a third party if it is in book-entry form and in securities guaranteed by either the State of New York or the United States Government, or other securities acceptable under the New York State Comptroller's Guidelines, and the Port retains the perfected security interest in such obligations or title to such obligations.

- c) The Commission requires that any bank with which it makes an investment either be the principal in regard to the transaction, or if a placement agent is used, such information must be disclosed to the Commission.
- d) In addition to the normal entries in cash receipts, cash disbursements and general ledger regarding investments, the Commissioner's Chief Financial Officer (and/or the investment advisor retained by the Commission) will maintain a schedule for each bank with which the Commission makes investments showing:
 - 1. Date of transaction.
 - 2. Description and amount of investment.
 - 3. Interest Date.
 - 4. Maturity date of CD, or Bond.
- e) Prior to making an investment, at least two banks will be contacted to determine the best rate available. Investments may be made by a telephone call to the banks. If the investment is a Certificate of Deposit, such Certificate may be mailed to the Commission or, picked up by an agent of the Commission. The Certificate of Deposit may also be held by the Commission's Custodian. If there is collateral involved, the Commission will immediately contact the designated custodian or trustee of the collateral and receive from custodian a written instrument requiring the Commission's agreement before custody may be relinquished. In practice, banks will usually deposit a certain amount of securities for a specified amount of time, equal to the probable maximum amount the Commission would be investing during such period, i.e., a month or ninety days.
- f) The Commission requires the custodian to send verification of funds/securities held for the Commission whenever requested to do so by the Commission.

5) Collateralization.

- a) The collateral for Certificate of Deposit, Money Market Fund Deposits, is limited to "Investment Grade" obligations that are direct obligations of the United States or New York State Government or obligations the principal and interest of which are guaranteed by the United States or New York Government, or municipalities of New York State.

- b) Whenever investments require collateralization, such investments must be collateralized by “Investment Grade” obligations as defined in item a) above.

6) Modifications.

- a) The APDC will review these guidelines annually in conjunction with the annual independent audit or at any time for statutory, regulatory, or policy modifications and may be resolution, modify these procedures at any time.

7) Reports and Audits.

The following reports and audits shall be prepared in connection with the APDC’s Investment program.

- a) The APDC’s chief fiscal officer shall provide the Board semi-annual reports regarding any new investments, the inventory of existing investments, and the selection of investment bankers, brokers, agents, dealers or auditors.

- b) Annual Investment Report. The APDC’s chief fiscal officer shall prepare and submit an annual investment report to the Board after the close of each fiscal year of the APDC. Upon Board approval, the report shall be filed with the Division of the Budget, Senate Finance Committee, Assembly Ways and Means Committee, Department of Audit Control. Such report shall include the following:

1. The investment Guidelines required by Section 2925(3) of the Public Authorities Law and any amendments to such guidelines since the last investment report;
2. An explanation of the Investment Guidelines and Amendments;
3. The results of the Annual Investment Audit described below;
4. The investment income results of the APDC; and
5. A list of the total fees, commissions or other charges paid for APDC investment associated services by the APDC since the date of the last investment report.

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 6. A statements on any other material deficiency or finding identified during the audit not covered in 5 above; and
 7. Recommendations, if any, with respect to amendment of the APDC Investment Guidelines.

The Annual Investment Audit Report shall be filed within ninety (90) days after the close of the APDC’s fiscal year with the Office of Budget and Policy Analysis of the State Comptroller.

ALBANY PORT DISTRICT COMMISSION

September 14, 2010

Report of Ships-Barges-Tonnages

<u>Ships</u>	<u>August</u>	<u>Year to Date</u>
Grain	0	2
Heavy Lift/Project	1	19
Molasses	0	0
Scrap Iron	2	4
Woodpulp	<u>1</u>	<u>7</u>
Total	4	32

Barges

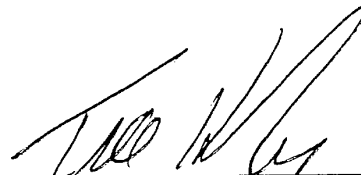
Heavy Lift /Project	0	2
Lay Berth	0	0

Inbound

Outbound

<u>Cargo</u>	<u>August</u>	<u>Year to Date</u>	<u>August</u>	<u>Year to Date</u>
Grain	0	0	0	46,070
Heavy Lift/Project	0	0	401	13,393
Molasses	0	0	0	0
Scrap Iron	0	0	55,622	111,283
Woodpulp	2,100	20,268	0	0

	<u>August</u>	<u>Year to Date</u>	<u>Previous Year to Date</u>
Inbound	2,100	20,268	29,996
Outbound	<u>56,023</u>	<u>170,746</u>	<u>141,277</u>
	58,123	191,014	171,273



 Terrence Hurley
 Chief Financial Officer

LONGSHORE HOURS WORKED

2009 – 2010 COMPARSION

	<u>2009</u>	<u>2010</u>
January	4,377.0	2,632.0
February	2,634.5	2,282.5
March	1,838.0	2,248.0
April	3,370.0	2,481.5 (234 Grain)
May	2,178.0	1,690.0
June	3,230.5	2,853.5
July	3,265.0	1,637.0
August	<u>3,976.5</u>	<u>3,233.0</u>
Total	24,869.5	19,057.5