ALBANY PORT DISTRICT COMMISSION ("APDC")

2027 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 2027 budgets.

Overall, the 2027 budget anticipates an increase in the APDC's net position of approximately $21.2 million. This anticipated increase assumes capital contributions of $25 million in 2027. Capital contributions are typically grants received from state or federal sources. Absent of the capital contributions for 2027, the budget anticipates generating approximately $273,000 to fund capital projects.

Certain items are reimbursable from LOGISTEC/ENSTRUCTURE 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/ENSTRUCTURE; 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 goals have been identified to guide the allocation of resources proposed for 2027 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 2027 budget are presented below.

REVENUE ASSUMPTIONS:

Revenue derived from operations is budgeted at approximately $7.2 million. Budgeted operating revenue for 2027 represents a $434,000 increase from 2026 budget and a $50,000 decrease compared to the current operating revenue projected for 2026. 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, projected increase in crane rental income and an increased rate for Security provided services.

- Rental income through the leasing of APDC-owned real property is the largest single operating revenue component. Income from real estate represents over 63% 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/ENSTRUCTURE 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 2027 budget reflects the fixed amount of the payment ($305,000) 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 APDC's mobile harbor cranes. Of the amount budgeted for 2027, $700,000 is for security charges and represents about 7,000 hours of chargeable security services and 2,500 TWIC escorts. The chargeable security hours are budgeted at a $100,000 increase. The 2027 budget anticipates 760 hours of billable crane hours, generating $350,000 of revenue. The projected hours budgeted at increase along with an increase in the hourly rate charged from $455 to $460. The crane revenue activity is correlated to the continued handling needs of 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 2027.

EXPENSE ASSUMPTIONS:

- 15 full-time salaried employees
- 9 full-time hourly employees
- 8 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 $6.9 million; this amount reflects a 10% increase ($645,000) over the budgeted operating expenses for 2026. The major drivers of this change are Rent Expense, Engineering Services, Consulting and Salary and Benefit expenses as detailed below.

- OpEx incurred for Salaries, Fringe Benefits and other related expenses are budgeted at approximately $4.136 million for 2027. The overall change from the projected 2026 expense is $229,000. Included in the 2027 budget a $65,000 increase in salaries and FICA. This is comprised of a 3.5% COLA salary increase, and adjustments for competitiveness and retention . 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 $165,000. There is a 10% ($76,000) increase in health insurance costs and APDC's NYS Retirement payment for 2027 is $67,000 higher than in 2026.

- Professional Services are budgeted for an increase of $54,000 from the current year-end projection. This increase is in the Consultant line which includes business development and strategic planning resources as well as Legal and Engineering services.

- Administrative Expenses are expected to increase $14,000 over the 2026 projections, with a $10,00 increase from the 2026 budget. These expenses include Advertising & Marketing, Travel, Office supplies, Printing & Stationery, Sponsorships, and Association dues.

- Facilities Equipment & Maintenance has a budgeted increase of $266,00 from the current year-end projection. The Port's lease payments for the Riverside Avenue property will end in February 2027. Crane Parts and Repair are budgeted consistent with the 2026 budget.

- Security and Safety costs budget has been increased by a net of only $1,000 from 2025 budget.

NON-OPERATING ACTIVITIES:

- Non-operating revenue is income derived from APDC's investment portfolio.

- Within the non-operating expense categories there 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. The remaining lease expired in May 2026. APDC has not budgeted for an additional lease to be executed in 2027.

- For 2027, 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 2027 budget anticipates generating approximately $272,000 to fund necessary capital repairs and replacements in 2027 and reflects the fluctuations addressed earlier in this document. The performance of operating activities during 2027 will either reduce or increase the resources used to fund APDC's capital needs.

- Capital contributions totaling $25 million are expected to be recorded by APDC in 2027. These amounts will be restricted to capital-related activities and are projected to supplement the amounts generated by APDC 2027 operating activities.

ALBANY PORT DISTRICT COMMISSION
2027 Budget with 2026 Forecast - Actual Results through July 31, 2026

	Prelim YTD Jul-26	Forecast 2026	Budget 2026	Proposed Budget 2027	Budget Increase (Decrease)	Forecast to Proposed Budget
Operating Revenue:						
Rental Income	2,679,211	4,592,933	4,400,000	4,562,763	162,763	(30,171)
Dockage Fees	170,103	345,103	460,000	370,000	(90,000)	24,897
Wharfage Fees:	258,146	329,207	288,000	350,000	62,000	20,793
Buckeye Revenue	50,000	150,000	150,000	150,000	-	-
Stevedore Fees and Services	307,930	773,131	700,000	750,000	50,000	(23,131)
Crane Equipment Rental	242,730	342,730	206,000	350,000	144,000	7,270
Security Fees	412,524	707,184	600,000	700,000	100,000	(7,184)
Public Private Partnership Revenue	-	-	-	-	-	-
Other Services and Revenue	32,976	56,531	8,500	14,000	5,500	(42,531)
Total Operating Revenue	4,153,621	7,296,818	6,812,500	7,246,763	434,263	(50,055)
Operating Expenses:						
Payroll, Payroll Taxes and Fringe Benefits	2,417,153	3,906,571	3,958,544	4,135,526	176,982	228,955
Other Post Retirement Benefit Expense	-	100,000	100,000	100,000	-	-
Repairs, Maintenance and Utilities	284,352	514,882	485,888	780,500	294,612	265,618
Crane Parts and Repairs	18,162	133,162	132,000	130,000	(2,000)	(3,162)
Insurance	232,280	412,280	435,000	453,000	18,000	40,720
Professional and Consulting Fees	229,869	459,969	367,500	513,500	146,000	53,531
Service Contracts	127,048	237,048	260,000	260,000	-	22,952
Security and Safety Costs	49,595	78,763	79,000	80,000	1,000	1,237
Education and Training	-	17,000	17,000	17,000	-	-
Office Supplies and Expense	27,702	66,045	66,800	66,800	-	755
Advertising, Promotion and Association Dues	128,333	243,992	247,675	257,675	10,000	13,683
Development Expense Empire Wind Project	-	-	-	-		-
Contingency	-	-	180,000	180,000	-	180,000
Total Operating Expense	3,514,494	6,169,712	6,329,407	6,974,001	644,594	804,289
Operating Income (Expense) before other items	639,127	1,127,106	483,093	272,762	(210,331)	(854,344)
Depreciation and Other (Income) Expenses:						
Depreciation Expense	1,886,386	3,233,804	3,220,000	4,000,000	780,000	766,196
Interest Income	(25,326)	(43,415)	(20,000)	(30,000)	(10,000)	13,415
Interest Expense	1,739	176,739	201,739	-	(201,739)	(176,739)
Waterfront Development	15,584	70,584	70,000	70,000	-	(584)
Municipal Support	-	-	-	-	-	-
(Gain)Loss on Asset	(350,354)	(350,354)	-	-	-	350,354
Net Depreciation and Other (Income) Expense	1,528,029	3,087,357	3,471,739	4,040,000	568,261	952,643
Change in Net Position Before Capital Funding	(888,902)	(1,960,251)	(2,988,646)	(3,767,238)	(778,592)	(1,806,987)
Capital Grant Revenue	17,262,849	25,217,849	15,000,000	25,000,000	10,000,000	(217,849)
Change in Net Position	16,373,947	23,257,598	12,011,354	21,232,762	9,221,408	(2,024,836)

ALBANY PORT DISTRICT COMMISSION
2027 BUDGET
Capital Items

	2024*	2025*	2026	2027
SOURCES				
CAPITAL REPAIR & REPLACEMENT RESERVE	$ 87,799	$ 70,279	$ 231,355	$ 272,762
CAPITAL CONTRIBUTIONS **	6,300,000	4,500,000	15,000,000	25,000,000
TOTAL SOURCES	6,387,799	4,570,279	15,231,355	25,272,762
USES				
SHED 1 REFURBISHMENT	1,300,000			
OTHER PROJECTS	3,000,000		200,000	270,000
SITE READY WORK	-		5,800,000	5,000,000
BEACON ISLAND WHARF				20,000,000
SHED 5 LOADING DOCK		110,000		
WHARF IMPROVEMENTS		3,000,000	9,000,000	
SHED 3 AND 4 LIGHTING UPGRADES		137,000		
SHED 5 ROOF		800,000		
EQUIPMENT	400,000	-	200,000	-
TOTAL USES	4,700,000	4,047,000	15,200,000	25,270,000
SURPLUS/(DEFECIT)	$ 1,687,799	$ 523,279	$ 31,355	$ 2,762

* As reported

** Capital Contributions includes State and Federal Transportation, Economic Development and Energy programs.