



# PORT OF ALBANY

## ALBANY PORT DISTRICT COMMISSION FINANCE COMMITTEE MEETING

July 22, 2020

11:30 a.m.

### AGENDA

- 1) **Approval of Minutes from the April 22, 2020 Finance Committee Meeting (Attached)**
- 2) **Second Quarter 2020 Financial Review (Attached)**
- 3) **Budget Goals Review (Attached)**
- 4) **Enter Executive Session<sup>1</sup>**
- 5) **Exit Executive Session**

<sup>1</sup> Only if necessary (and if approved by a majority vote of the Committee), to discuss

a. matters which will imperil the public safety if disclosed;

b. any matter which may disclose the identity of a law enforcement agent or informer;

c. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;

d. discussions regarding proposed, pending or current litigation;

e. collective negotiations pursuant to article fourteen of the civil service law;

f. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;

g. the preparation, grading or administration of examinations; and

h. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.



## ALBANY PORT DISTRICT COMMISSION MINUTES OF FINANCE COMMITTEE MEETING

April 22, 2020

Chairman Coffey called the meeting to order. In attendance were Commissioners Steffens and Cinquanti. Also present were CEO Hendrick, General Counsel Jordan, Economic Development and Procurement Director Daly, CFO Stuto, Director of Security Williams and Deputy Director of Security Teller.

Chairman Coffey introduced the minutes of the October 23, 2019 meeting. No changes were made to the minutes. Chairman Coffey called for a motion to approve the minutes. A motion was made by Commissioner Steffens, seconded by Commissioner Cinquanti and passed unanimously.

### FIRST QUARTER 2020 FINANCIAL REVIEW

The Committee reviewed the Financial Statements for the quarter ending March 31, 2020 and the projections for the remainder of the year. CFO Stuto reported that revenues are currently expected to be within \$30,000 of the budget and expenses are forecasted to come in under budget by approximately \$500,000, due to unfilled positions and curtailed spending in light of COVID -19 uncertainties. Net Operating income is projected to be above the budgeted \$465,000. Change in net position is projected at \$6,730,000 compared to the budget of \$8,993,000. In addition to the variance in operating income, there is a \$300,000 decrease in forecasted depreciation and a decrease in Grant Revenue, both of which are due to project timing. The first quarter Budget Goal status was also reviewed, no significant areas of concern were noted. CFO Stuto commented that this was the first time the goals were reported on and that the management team will continue to monitor and report quarterly. Chairman Coffey thanked the staff for putting this useful reporting tool in place. Staff has been in contact with all Port tenants regarding pandemic related business issues and only one tenant has requested a rent modification.

**COMMITTEE CHARTER – FINANCE COMMITTEE**

Chairman Coffey introduced the APDC Finance Committee Charter. It is required that the committee charter be reviewed annually. No changes were made to the Finance Committee Charter.

**INVESTMENT POLICY ANNUAL REVIEW**

The Committee conducted its annual review of the Investment Policy and did not make any changes upon consultation with staff.

**EXECUTIVE SESSION**

There were no items for discussion in Executive Session.

Chairman Coffey called for a motion to adjourn the meeting. A motion was made by Commissioner Steffens, seconded by Commissioner Cinquanti and passed unanimously. The meeting was adjourned.

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ALBANY PORT DISTRICT COMMISSION  
2020 Forecast - Actual Results through June 30, 2020

	June 2020	Year to Date Jan-June 2020	Forecast July - Dec 2020	Forecast 2020	Budget 2020	Forecast to Budget Variance
<b>Operating Revenue:</b>						
Rental Income	290,877	1,732,404	1,745,264	3,477,668	3,467,431	10,237
Dockage Fees	18,258	156,843	137,000	293,843	255,909	37,934
<b>Wharfage Fees:</b>						
Calcium Chloride	-	-	-	-	-	-
Liquid Fertilizer	-	-	10,000	10,000	40,000	(30,000)
Grain	-	50,000	-	50,000	50,000	-
Heavy Lift/Project	281	26,980	60,000	86,980	98,957	(11,977)
Steel	-	18,748	50,000	68,748	101,524	(32,776)
Woodpulp	5,822	46,329	110,000	156,329	104,545	51,784
<b>Total Wharfage Fees</b>	<b>6,103</b>	<b>142,057</b>	<b>230,000</b>	<b>372,057</b>	<b>395,026</b>	<b>(22,969)</b>
Buckeye Revenue	-	50,000	100,000	150,000	150,000	-
Stevedore Fees and Services	16,667	104,675	160,000	264,675	245,000	19,675
Crane Equipment Rental	4,865	95,340	80,000	175,340	156,890	18,450
Security Fees	22,853	200,783	230,000	430,783	382,458	48,325
Other Services and Revenue	490	3,758	6,000	9,758	20,708	(10,950)
<b>Total Operating Revenue</b>	<b>360,113</b>	<b>2,485,860</b>	<b>2,688,264</b>	<b>5,174,124</b>	<b>5,073,422</b>	<b>100,702</b>
<b>Operating Expenses:</b>						
Payroll, Payroll Taxes and Fringe Benefits	170,920	1,236,148	1,130,493	2,366,641	2,569,350	(202,710)
Other Post Retirement Benefit Expense	-	-	100,000	100,000	100,000	-
Repairs, Maintenance and Utilities	5,036	97,214	150,000	247,214	265,500	(18,286)
Crane Parts and Repairs	286	3,931	50,000	53,931	55,000	(1,069)
Insurance	19,103	112,054	114,616	226,671	229,553	(2,882)
Professional and Consulting Fees	5,393	107,331	280,000	387,331	507,000	(119,669)
Service Contracts	13,069	104,149	116,931	221,080	240,000	(18,921)
Security and Safety Costs	-	12,676	100,022	112,698	137,300	(24,602)
Education and Training	360	2,550	3,000	5,550	10,000	(4,450)
Office Supplies and Expense	1,839	7,338	30,000	37,338	50,300	(12,962)
Advertising, Promotion and Association Dues	8,542	93,412	152,662	246,074	264,502	(18,428)
Contingency	-	-	-	-	180,000	(180,000)
<b>Total Operating Expense</b>	<b>224,549</b>	<b>1,776,803</b>	<b>2,227,725</b>	<b>4,004,527</b>	<b>4,608,505</b>	<b>(603,978)</b>
<b>Operating Income (Expense) before other items</b>	<b>135,564</b>	<b>709,057</b>	<b>460,540</b>	<b>1,169,597</b>	<b>464,917</b>	<b>704,680</b>
<b>Depreciation and Other (Income) Expenses:</b>						
Depreciation Expense	220,889	1,325,148	1,325,332	2,650,480	2,947,307	(296,827)
Interest Income	(94)	(7,031)	(3,000)	(10,031)	(14,400)	4,369
Interest Expense	15,255	94,472	91,527	185,999	200,738	(14,739)
Waterfront Development	220	229,342	29,500	258,842	269,750	(10,908)
Municipal Support	39,904	79,808	79,808	159,616	163,000	(3,384)
(Gain) Loss on Sale of Asset	-	-	-	-	-	-
<b>Net Depreciation and Other (Income) Expense</b>	<b>276,173</b>	<b>1,721,739</b>	<b>1,523,167</b>	<b>3,244,906</b>	<b>3,566,395</b>	<b>(321,489)</b>
<b>Change in Net Position Before Capital Funding</b>	<b>(140,610)</b>	<b>(1,012,681)</b>	<b>(1,062,628)</b>	<b>(2,075,309)</b>	<b>(3,101,478)</b>	<b>1,026,169</b>
Capital Grant Revenue	55,153	102,507	8,200,000	8,302,507	12,094,900	(3,792,393)
<b>Change in Net Position</b>	<b>(85,457)</b>	<b>(910,174)</b>	<b>7,137,372</b>	<b>6,227,198</b>	<b>8,993,422</b>	<b>(2,766,224)</b>

ALBANY PORT DISTRICT COMMISSION  
STATEMENT OF NET POSITION  
For the Six Months Ending Tuesday, June 30, 2020

	6/30/2020	6/30/2019
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>		
<b>CURRENT ASSETS</b>		
Cash	\$1,764,902.83	\$1,055,485.74
Investments	1,519,851.00	749,272.50
Accounts Receivable	314,133.91	592,775.69
Grants Receivable	107,947.27	4,320,740.90
Rents Receivable	55,909.53	79,448.73
Prepaid & Other Assets	173,001.24	174,059.59
<b>TOTAL CURRENT ASSETS</b>	<b>\$3,935,745.78</b>	<b>\$6,971,783.15</b>
<b>NET PROPERTY &amp; EQUIPMENT</b>	<b>\$70,026,003.72</b>	<b>\$69,236,698.76</b>
<b>TOTAL ASSETS</b>	<b>\$73,961,749.50</b>	<b>\$76,208,481.91</b>
Deferred Outflow (GASB 68 Pension)	289,331.00	356,838.00
<b>TOTAL</b>	<b>\$74,251,080.50</b>	<b>\$76,565,319.91</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; NET POSITION</b>		
<b>LIABILITIES</b>		
Obligation under Capital Lease-Bank of America	\$5,533,472.35	\$6,907,381.30
Opeb Liability	3,311,956.96	3,236,516.96
Net Pension Liability	283,973.00	129,174.00
Deferred Rental Income	96,239.63	52,383.32
Accounts Payable	834,079.02	843,186.56
Retainage Payable		701,180.27
Misc Payable	10,706.79	
Accrued Expenses	265,548.77	262,302.37
Security Deposits	108,195.42	108,074.93
<b>TOTAL LIABILITIES</b>	<b>\$10,444,171.94</b>	<b>\$12,240,199.71</b>
Deferred Inflow of Resources	1,277,713.00	1,713,566.00
<b>NET POSITION</b>	<b>\$62,529,195.56</b>	<b>\$62,611,564.20</b>
<b>TOTAL</b>	<b>\$74,251,080.50</b>	<b>\$76,565,319.91</b>

2020 Budget Goal	Objective	Metric	Status 6-30-2020
New roadway and terminal improvement design	Design completed	Design completion percentage	Maritime warehouse design 100% complete, construction underway, Roadway and terminal design 65% complete, budget estimating underway
New warehouse - construction	Construction completed	Construction completion percentage	Construction underway as of 6/2020
Re-program/re-purpose available land	Create revenue/development opportunities	Percentage change of available vacant acres	Development plan concepts in working progress on 3 development sites for re-use plans
	Re-use plan for 700 Smith Blvd	Number of parcels mapped as leased, sold or under development integrated with relevant information	Clean up plan near approved, renewed appraisal underway, re-use plan underway, commercial discussion possible
	Re-use plan for 877 S Pearl Street/13 Binghamton		Purchase offer option proposal expected 3rd quarter
	Close on sale of 900 S Pearl Street		Buyer has requested a 90 day extension, due to Current Statewide Restrictions, closing deadline due 9/2020
Continue Port expansion efforts	Obtain necessary regulatory approvals	Approval granted of FGEIS, approval of access design and permits	Both Generic EIS approval, SEQR findings statement approved May 2020
	Design & permitting access and bridge		Work underway, initial bridge design review meeting held, holding for business capacity assessment, agency wide permitting prep call held 6/2020, additional geotech work near complete, an infrastructure site plan application expected to be made summer 2020
	Pursue federal and state grant funding opportunities (5-6 major sources)		Ongoing: state grant phase 1 submitted, phase 2 expected summer 2020, federal grant submitted 3/2020, awarded state grant administration underway, RFPs for bond/special counsel and financing team for expansion in process
	Business development results	Number of business development meetings, percentage of land leased or number of business development commitments	Actively meeting with businesses, NDAs signed, proposal discussions underway
Identify, monitor and report cybersecurity risk	Increase awareness of cybersecurity risks	Percentage of staff who have completed a cybersecurity awareness program offered through a Center for Internet Security affiliated provider	All staff have completed cyber security training in the 1st quarter.
	Formalize change control management process	Numbers of user, equipment or access adds, changes and/or deletes	Completed in the 2nd quarter.
	Formalize risk registry	Number of items that are identified as high	Completed in the 2nd quarter.

2020 Budget Goal (Maritime)	Objective	Metric	Status 6-30-2020
Retain imports	Continue efforts with railroads to provide best pricing for wood pulp shipments to ensure retention of this market sector business	Ships and tons of imported woodpulp on an annual basis. (6 ships-60,000 tons)	Thru 2nd quarter 2020 - 4 ships - 31,256 s.t. Pulp ship in port week of July 6th. Working on six new destinations.
	Retain shipments of imported calcium chloride that is primarily shipped to Canada	Shipments totaling 10-12,000 s.t. annually (8,000 s.t. annually)	Discussions with receiver to change from container to breakbulk continue-8,000 s.t. annually
Obtain New Import Business	Obtain shipments of imported lumber destined to Connecticut previously moving through Philadelphia port terminals	Short tons of lumber secured	Trial shipment of 165 s.t. took place in May. Future shipment late 3rd quarter.
	Working with foreign company with office in New Jersey to obtain shipments of Kraft liner board	Obtain 18,000 short tons of Kraft linerboard annually	Trial shipment of 41 s.t. in June instead of July. Another shipment expected late 3rd quarter, no indication of volume at this time.
	Identify and secure steel shipments to move over our facilities	Breakbulk shipments of imported steel (3 shipments - 3,000 s.t.)	Shipments total 2,097 s.t. thru 2nd quarter
	Obtain shipments of more than the two major energy construction projects we are working on in Ohio and Pennsylvania	Import shipments for major energy construction projects	1 shipment 1,213 s.t. Other projects not moving due to production delays in origin countries. Major project moved to 2nd quarter 2021.
	<u>Domestic, land based wind energy project shipments.</u>	Wind energy shipments moving over our facilities	Project in Western NY moved thru Great Lakes. No other projects on horizon.
	Maintain contact with wind energy firms to obtain shipments of blades, nacelles and towers		
Obtain international and domestic project cargo shipments over the Ro-Ro ramp	Continue efforts begun to develop new international project cargo shipments	Number of International project cargo shipments moving over new Ro-Ro ramp	One shipment moved via lift on rather than Ro-Ro at customers request. Continuing efforts re: additional business.
	Develop marketing program aimed at South Atlantic and Gulf coast barge operators to secure domestic project cargo	Number of Domestic project cargo shipments moving over new Ro-Ro ramp	Three rotors to be shipped on a barge over the Ro-Ro ramp in September.
Obtain new export business	<u>Exportation of logs in container</u> Working with New Zealand company and local service provider to cut, stow and ship logs in containers to China	100 x 40' containers per week or 4,000 annually on a seasonal basis	Decision was made to focus on our current base activity. The port continues to work on this goal secondary to the other goals.
	<u>Exportation of hay from New York to Middle East</u> Working with major New Jersey agriculture company, university extension and farmers to develop new market for farmers	Shipments of hay in containers a new market for New York farmers	Decision was made to focus on our current base activity. The port continues to work on this goal secondary to the other goals.