

PORT OF OSWEGO AUTHORITY
Regular Monthly Meeting
Monday, December 18, 2023

CALL TO ORDER: Mr. Enwright called the meeting to order at 4:33 PM.

PRESENT: Francis Enwright - Chairperson, Constance Cosemento - Vice Chairperson; Dr. John Kares Smith, Stan Delia, Tom Schneider, Kathleen Macey, and William Scriber - Executive Director.

ALSO PRESENT: Pat McMahan - Supervisor of Development & Maintenance, Debbie Godden - Accounting Manager, Kim Natoli - Port Employee, Micha Ordway - Port Counsel with Bousquet Holstein PLLC Zoom, Dr. Robert Morgan - Vice President of the H. Lee White Maritime Museum and Mercedes Niess - Executive Director of the H. Lee White Maritime Museum.

ABSENT: Diane Zeller.

EXECUTIVE SESSION

Motion 12-18-2301: A motion was made by Ms. Macey to move to executive session for discussion on LT-5 grant issues and contracts/agreements with Port Counsel. Dr. Kares Smith seconded the motion at 4:35 PM. Motion passed. 6-Aye, 0-Nay.

Motion 12-18-2302: A motion was made by Ms. Macey to resume the regular monthly meeting at 6:03 PM. Motion seconded by Dr. Kares Smith. Motion passed. 6-Aye, 0-Nay.

DISCUSSION

A discussion was initiated by Board Member and Chairman of the Audit & Finance Committee Mr. Tom Schneider to explain the findings from executive session to members of the Maritime Museum who were in attendance. Mr. Schneider explained that after speaking with Port Counsel, they would like to make some changes to the letter that the Port received in regards to the LT-5 that stated that the grant and ownership of the vessel is transferred over at the end of the process. Then it leaves the Port the ownership of the vessel that is the unit for which the grant is the beneficiary of and the grant going to the Museum, if something goes wrong with that process, because it is for the benefit of the vessel that the Port owns, then the Port owns the liability. The Port would like some administrative oversight of the grant process, potentially co-signing on certain contracts. The Port cannot have the liability while the Museum is administering the grant money. The Port is requesting a more formal process in place that may include joint signatures of any contract disbursements; the actions being taken place and the money is being granted for the vessel, and the vessel is in the Port's ownership and won't be transferred to the Museum's ownership until after the vessel has been cleaned and defueled. The liability that currently existed is diminished significantly once the Museum takes ownership of the vessel. During that process, the Port and the Museum has to ensure that the vessel doesn't lead to any liability itself or that the administration of the grant isn't something that the grantors come back and say that funds weren't used in the proper place; the grantors will look to the Port, not the Museum, for restitution. Mr. Schneider stated that the present agreement cannot be signed without the additional language added. Mercedes Niess explained that the Museum has set up a committee that is overseeing

the bidding and accounting practices for the LT-5 grant. In conclusion, Mr. Schneider stated that Port Counsel would be making a small change in the verbiage of the Agreement.

APPROVAL OF MINUTES

Motion 12-18-2303: A motion was made by Ms. Macey to approve the minutes of the November 20, 2023 regular monthly meeting. Motion was seconded by Dr. Kares Smith. Motion passed. 6-Aye, 0-Nay.

ADMINISTRATIVE OPERATIONAL REPORT

Mr. Scriber, Executive Director, presented the Administrative Operational Report to the Board and addressed any questions or comments.

Report Topics:

Monthly operations update – November 2023

Update on projects:

- Aluminum – record aluminum being offloaded. Mr. Scriber recognized and praised Local ILA and CSEA employees who unloaded a record amount of aluminum in two days in poor weather conditions. Railcars are still arriving, another 15-20 railcars in the coming week. In comparing past years - in December 2018 the Port had 19,887 metric tons onsite; currently the Port has 68,251 metric tons onsite which is a 243% increase! Lot use charges are per metric ton and the Port will be over budget for what was planned for storage charges this year.
- Railcars – a challenging issue for the Port as we are overcapacity with railcars. This originates from the St. Lawrence Seaway strike in October 2023 when companies started using rail instead of barge/vessel; it is inadequate and inefficient to use truck and rail to transport aluminum in the volume that is achieved utilizing a vessel; it equates to approximately 200 railcars to 1 vessel, as well as grain. Backlogs are happening.
- Storm Water Pollution Prevention Plan (SWPPP) – is complete.
- Senator Schumer & Senator Gillibrand – will be setting up a Zoom Meet with the Senator's representatives on how they can assist the Port in the next year, especially with the Port Infrastructure Development Program (PIDP) grant, which the Port will submit for in the coming year.
- Goble Marina – the Board has been provided with C&S report for recommendations on the Port's Goble Marina.

ADMINISTRATIVE FINANCIAL REPORTS

Motion 12-18-2304: A motion was made by Mr. Schneider to accept the November financial reports as presented. Motion seconded by Ms. Cosemento. Motion passed. 6-Aye, 0-Nay.

Primary Financial Reports

- Cash Position
- Balance Sheet
- Profit & Loss Statement
- Marina Profit & Loss Statement

Subsidiary Financial Reports

- Monthly Bills
- Accounts payable
- Accounts Receivable
- Loan Summary
- Schedule of Assets
- Sales Report

Mr. Schneider briefly commented that the cash position remains stable, spoke on the capitalization, the balance sheet, and that the income statement is approximately 9% below budget due to lack of special projects this past year, and late-arriving revenue year with activity currently going on.

Mr. Schneider also reiterated to the Board members that the Port's traditional businesses are stevedoring, loading/unloading, wharfage as part of the multi-modal business and requested that the Board spend more time on the multi-modal logistics aspect and where it will go in the future, and less time on marina and property items, that are not a significant portion of the core business. Mr. Scriber credited the employees of the Port, stated the Port has grown from where it once was several years ago, and the Port has gone through its own renaissance. The commercial business is what gets the Port noticed and what brings business back locally.

Chairman's Report: Mr. Enwright spoke about a ballast water meeting he attended. Mr. Enwright explained that an issue he learned of while attending the Highway H₂O Conference in Toronto was of the vessels that are transporting cargo on the ocean the vessel's ballast water fails a test that has to be passed for the ballast water to be discharged into the lake. When that occurs, the vessels have to go to a certified ballast water treatment port, and that port could be 50 miles away, which would impact fuel usage, water treatment, schedules, wait times, etc. There are not many ballast water treatment ports on the lakes. The Port's location on Lake Ontario would be a positive aspect for this in the future. Mr. Enwright stated that this could bring in revenue and additional vessels to the Port. Mr. Scriber indicated that the planning for this would be present time and an advantage is because the Port is a state authority it would allow the Port to be eligible for more grants to reduce costs.

COMMITTEE REPORTS:

Executive Committee: Ms. Cosemento attended an ILA pension review meeting. Ms. Cosemento did ask Mr. Schneider about a pension overfunding issue. He explained current inflation, interest rates, bonds, bond funds, the stock market, funded and overfunded and how it pertains to a portfolio.

Audit and Finance Committee: No report per Mr. Schneider.

Governance Committee: Dr. Kares Smith commented on completing the Confidential Evaluation of Board Performance evaluations in November. He did indicate that there was a committee in Albany, New York that requested the results of the evaluation, which was submitted.

Planning and Development Committee: Ms. Macey would like to finalize the Goble Marina restroom renovation plans by mid-January. Mr. Enwright commented that he spoke with C&S Engineers about the costs of this project. Mr. Schneider stated that they must decide if they are operating within the budget of the Lake Ontario Resiliency & Economic Initiative (REDI) funds or if there would be an investment for the future because anything spent past the REDI funds will offset the revenue from the marina.

Mr. Scriber stated that he will need to put this project out to bid in the near future due to scheduling and costs. He has anticipated the revenue from the number of the slips (non-transient slips) and operation of this marina to be approximately \$15,000.00 (gross revenue) in the first year of operation. Mr. Scriber advised the Planning and Development Committee to stay within the confines of the proposal from C&S Companies; the Port achieved an award through REDI and utilized the remaining funds from the PFRAP grant to supplement the added costs of this project. Any revenue coming from this marina is positive, but reminded the Board of the maintenance costs of operating the marina (employees, docks installation, etc). Mr. Scriber reminded the Board of the budget for this project and the confines of the existing structure – there are mandatory state standards and requirements such as an electrical room, bathrooms, and an attendant room (which would contain security cameras, marina paperwork, and an employee). He doesn't want this to become an expense for the Port.

OLD BUSINESS:

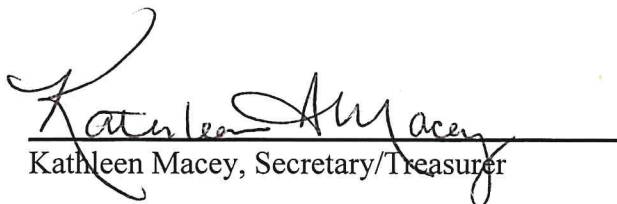
None.

NEW BUSINESS:

None.

ADJOURNMENT

Motion 12-18-2305: A motion was made by Ms. Cosemento and seconded by Dr. Kares Smith to adjourn the regular monthly meeting at 6:58 PM. Motion passed. 6-Aye, 0-Nay.


Kathleen Macey, Secretary/Treasurer