

PORT OF OSWEGO AUTHORITY
Regular Monthly Meeting
Monday, January 8, 2024

CALL TO ORDER: Ms. Cosemento called the meeting to order at 4:35 PM.

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

ALSO PRESENT: Pat McMahon - Supervisor of Development & Maintenance, Debbie Godden - Accounting Manager, Kim Natoli - Port Employee, Tom Doran and Debbie Doran with the Oswego Yacht Club.

ABSENT: Francis Enwright - Chairperson.

APPROVAL OF MINUTES

Motion 01-08-2401: A motion was made by Dr. Kares Smith to approve the minutes of the December 18, 2023 regular monthly meeting. Motion was seconded by Mr. Delia. 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 – December 2023

Update on projects:

- Monthly Report included – increase in rail
- West Pier Reconstruction – was put out to bid last month. Bid tabs on recommendations from the engineer from the most qualified and lowest bid.
- Goble Marina Restroom – will need approval to move forward. Concerns are on scheduling of contractors and renovation progress.
 - ➔ Mr. Delia questioned that they would remain within the footprint (the “box” of the project) of the recommendations of the engineers.
 - ➔ Ms. Macey stated that they would possibly add an outside shower; Mr. Scriber stated that the recommendation from the engineer for an outside shower would be it would be an “Add Alt” item if necessary. Mr. Scriber explained that with the footprint of the project site that is available, and looking at the commitment to state and federal regulations, it will have to include an electrical room, an attendant’s room, two (2) restrooms that are not handicapped-accessible, one (1) restroom and one (1) shower that is handicapped-accessible, and if that configuration is rearranged for other items, which was detailed by the engineers, the footprint of the project site would be eliminated. The standard square foot cost that was provided by engineers would bring construction costs within the budgeted amount that remains in the project; there was also a contract signed

agreeing to this footprint, this base-bid. If there is money remaining, other items may be added (i.e. camera system).

- ➔ Mr. Schneider requested to make a motion to move forward with construction bids for the bathhouse renovations for Goble Marina, with the potential of “Add Alt” additions. Mr. Scriber stated that the bid will include an “Add Alt” for an outside shower, however “Add Alt” means that if it comes within budget, it can be done, if not, it is not included.
- ➔ Mr. Delia questioned whether an outside shower is outside the footprint of the project site, and if it is outside then it wouldn’t be covered by the grant. Mr. Scriber stated that this is correct, however this option would be an “Add Alt” item.

Motion 01-08-2307: A motion was made by Mr. Schneider to move forward with construction bids for the Goble Marina Restroom Project, with an “Add Alt”. Motion seconded by D. Kares Smith. Motion passed. 6-Aye, 0-Nay.

- Novelis Lease Agreement – Novelis wants to renew the agreement for another three (3) years. Novelis has been a long-time customer with the Port, they have a good relationship with them, and The Port wants to continue that by facilitating a fair, but lower than market-rate per square foot lease with them (Mr. Scriber recognized employee Mrs. Pam Dowd’s efforts with this agreement).
- Senator Schumer Representative – phone call with Senator Schumer’s representatives and shared the Port’s plans for 2024 – applied for the Passenger and Freight Rail Assistance Program (PFRAP) Grant (for an electric trackmobile, additional trackage), Economic Development Administration (EDA) Grant for another rail spur, and application for Port Infrastructure and Development Program (PIDP) Grant (barrel building conversion into heated warehouse, gantry crane, and new docks). A heated warehouse would place the Port in a very competitive place – it would be the only warehousing facility in Oswego County, and a local plant has expressed interest in utilizing it.
- Marine Highway – on the Port’s container mover; three or four drafts on this. Possible going to bid end of January, as soon as contract is signed.
- Ballast Water – along with Mr. Enwright, they had a phone call involving a ballast water treatment company that they made contact with while at the H₂O Conference in Toronto last October. Although not a requirement now, ballast water treatment will be in the future. The Port has agreed to pursue the possibility to have a joint grant to look at the Port of Oswego to be a ballast water treatment location. An environmental study (how it would fit in the Port, how it could be completed, and what the costs would be) would need to be completed for the groundwork for a grant.
- United State Border Patrol Station – in discussion with the owners, will be meeting with them this week, and has engaged a company to do a review to provide a benchmark of what would be an appropriate to make a settlement on the property, as they wish to own the property. Mr. Scriber will bring the results of the meeting to the Board next month. U.S. Border Patrol built the building. Mr. Scriber stated that the current lease is a repetitive lease, with automatic renewals. The Port owns the property however do not have control of the property.

- Mr. Schneider explained that the Port owns the property, and is the lessor of the land; the lessee built the facility for US Border Patrol with a government security program. It is a long-term land lease and it could be converted to cash.
- Ms. Zeller inquired if the Port had liability for the property, which Mr. Schneider confirmed.
- Ms. Cosemento questioned who initiated this; Mr. Scriber stated the leaser of the property initiated this.

At the end of Mr. Scriber's report Mr. Delia questioned Mr. Scriber about the stacker project (small crane) – asked how much of that is funded by federal funds vs. non-federal funds. Mr. Scriber stated that the Port's portion would be a long-term lease. Mr. Scriber stated that it would be used for loading large ingots that Novelis is requesting to unload at the Port. Also, this would be a commitment from the Port due to a short-sea shipping project that is being reviewed. Furthermore, it would assist in future projects – it is multi-use small crane.

Mr. Schneider inquired how the weather patterns have been affecting the seaway. Mr. Scriber stated that the weather has not affected the Port, but the seaway closure for eight days impacted the Port as it drove customers to choose rail over ship, and it freed up more space to bring more in by ship/barge, and that aluminum is not being slowed down by bringing in aluminum by rail. With the price of metal decreasing and a boost in the economy, Novelis will possibly increase production this year. Storage revenues will increase for the Port; projecting an increase in aluminum for the next year. Novelis is switching over production to the larger ingots for the line, which will be picked up in the 2nd and 3rd quarter of next year. The Port will be entering into contract negotiations for 6 months to one year on large ingots; the Port is shifting on how aluminum is dealt with in 2024. Volume will increase, plus larger ingots/slabs. In the past, the Port has handled the larger slabs, which are 26,000 pounds each. Novelis has a new plant that is going into production that will utilize 89' railcars. 89' railcars do not typically fit on rail bends at Novelis; the Port has additional rail spurs that are able to accommodate this size. The Port will unload and transload to the local Novelis plant. The Port will be able to handle this until Novelis plant is operational with their new rail system.

Mr. Scriber also stated that the Port possibly has a long-term client for the Foreign Trade Zone (FTZ); he is currently in negotiations.

Ms. Zeller inquired if the volatile areas of the Middle East would impact on the Port operations or local industry supply issues. Mr. Scriber stated that that mainly impacts container-good movement; the Port relies on short sea bulk. Unless there is aluminum shut down at a mill, operations here will be unaffected.

Ms. Zeller asked about if the political environment changes with the upcoming elections (i.e. tariffs imposed on goods such as aluminum). Mr. Scriber stated that the Port is prepared – the Port's primary revenue source is aluminum, and that there is a FTZ that is functional now, that tariffs get put back on aluminum, companies may store all their aluminum at the Port and avoid those tariffs until the product is removed. At the present time, the north warehouse is considered FTZ, however the Port may expand the FTZ (in the application, and U.S. Customs has to agree on it) to include more spaces on the property.

ADMINISTRATIVE FINANCIAL REPORTS

Motion 01-08-2402: A motion was made by Mr. Schneider to accept the December financial reports as presented. Motion seconded by Ms. Zeller. 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 pointed out that there are calendar-end items in the financials, the balance sheet is strong.

Chairman’s Report: Mr. Enwright was absent. Ms. Cosemento indicated that she was in contact with Mr. Enwright – no report.

COMMITTEE REPORTS:

Executive Committee: No report per Ms. Cosemento.

Audit and Finance Committee: Mr. Schneider wanted to discuss the employee compensatory time off, which has come to this committee to revise the policy so that there was some oversight over the Executive Director compensatory time, vacation time, etc. Ms. Cosemento inquired if this policy would be added to the employee handbook.

Governance Committee: No report per Dr. Kares Smith.

Planning and Development Committee: No report per Ms. Macey (items were reviewed during Mr. Scriber’s Administrative Operational Report regarding the Goble Marina).

OLD BUSINESS:

None.

NEW BUSINESS:

Motion 01-08-2403: A motion was made by Mr. Schneider to accept the lease extension and modification agreement between the Port of Oswego Authority and Novelis (Exhibit D) as presented. Motion seconded by Mr. Delia. Motion passed. 6-Aye, 0-Nay.

DISCUSSION

Mr. Scriber explained that he was contacted by Mr. Tom Doran with the Oswego Yacht Club; they have an application to place docks in the vicinity of the Port's Fish & Wildlife Station in the water, which would be anchored to the floor of the lake, they are not attached, however to gain access to the docks they would need to be attached. Mr. Scriber was concerned about the present lease with Fish & Wildlife, however the docks could be installed on the far left corner facing the breakwall, and it would not be a part of the parking area, which means it is not a part of the Fish & Wildlife lease; it is a grassy area that is accessible by public parking. This would assist the Yacht Club to reinstitute their programs, to gain access to the water, and benefit tourism for the City of Oswego. Mr. Tom Doran explained the history of the Oswego Yacht Club and their programs and their wish to continue to host regattas and events. The application is to change the anchoring system of the docks from a east-west configuration where they presently are located, to a north-south adjoining the shoreline at the western most portion of Port property by the Fish & Wildlife building. The connection to the shoreline, the Yacht Club has a 25' commercially-produced ramp that was used in the previous location, they need connection point on shoreline to access the docks. The docks will be utilized for various boating programs, youth sailing adult sailing, teaching clinics, and it would facilitate the Yacht Club to execute those programs. The docks the Yacht Club has will need repair-work. Ms. Cosemento asked if there were any additional approvals that were needed. Mr. Tom Doran stated that they needed to go through four agencies (including the U.S. Army Corp of Engineers, Department of Environmental Conservation, and Department of State) that they needed to contact to get permits to get the anchors for the docks, they needed to provide GPS coordinates, and engineering schematics for the project. The Department of State sent the Yacht Club a request for a document citing an agreement between the Yacht Club and the Port of Oswego to complete this project.

Motion 01-08-2404: A motion was made by Ms. Zeller authorize the Executive Director to work with Port counsel to create an agreement with the Oswego Yacht Club to place a concrete ramp, constructed at Oswego Yacht Club cost, on Port of Oswego Authority property (17 Lake Street). Engineering of concrete pad will be in compliance with all state and federal regulations and approved by Port engineers (Exhibit E). Motion seconded by Mr. Delia. Motion passed. 6-Aye, 0-Nay.

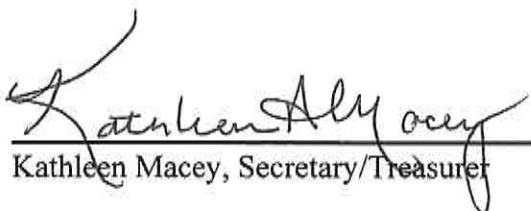
EXECUTIVE SESSION

Motion 01-08-2405: A motion was made by Dr. Kares Smith to move to executive session at 5:36 PM to discuss compensatory time off. Motion seconded by Mr. Schneider. Motion passed. 6-Aye, 0-Nay.

Motion 01-08-2406: A motion was made by Ms. Zeller to resume the regular monthly meeting at 5:43 PM. Motion seconded by Dr. Kares Smith. Motion passed. 6-Aye, 0-Nay.

ADJOURNMENT

Motion 01-08-2308: A motion was made by Mr. Schneider and seconded by Ms. Zeller to adjourn the regular monthly meeting at 5:44 PM. Motion passed. 6-Aye, 0-Nay.


Kathleen Macey, Secretary/Treasurer