



Department of Administration  
Budget and Management Division

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October 12, 2022

MEMORANDUM

To: Finance and Personnel Committee Members

From: Sarah Osborn

Subject: Port of Milwaukee – Revenue Trends, Revenue Forecasting, and Rail Data

At the October 11, 2022 Finance and Personnel Committee Hearing to discuss the Port of Milwaukee’s proposed 2023 budget, Aldermen Spiker and Murphy requested the Port’s revenue trends and forecasts, as well as data relating to rail use. This information is provided below.

Revenue Trends

Port revenue consistently outpaces expenditure, though expenditures have grown at a faster pace than revenue since 2016. Port revenue increased by about 20 percent from 2016-2021, while expenditures increased by 32 percent during this time (excluding Milwaukee World Fair [MWF] transfer). However, it should be noted that this trend is not linear– 2020 revenue was 41 percent higher than 2016 revenue, while expenditures only increased by 12 percent.

Full revenue and expenditure data by type and year are outlined in Table 1, located on Page 2.

Revenue Forecasting

The Budget Office and the Port of Milwaukee have insufficient data at this time to reliably forecast revenue out for multiple years. Many of the revenue sources are highly variable and depend on a multitude of market and meteorological forces. However, applying the proposed 2023 tariff increase of 5 percent to 2021 actuals yields a projected revenue increase of about \$113,000.

Rail Usage

Railcar visits decreased slightly from 2019 to 2020 due to the COVID-19 pandemic, but remain at higher than 2018 levels (Table 2).

**Table 2. Railcar Data, 2018-2022**

Year	Railcar Count
2022 (through Aug.)	1,730
2021	2,889
2020	2,812
2019	3,056
2018	2,478



**Table 1. Port Revenue vs. Expenditure, 2016-2021**

<i>Revenue</i>						
<b>Description</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Facility Rent	2,081,504	2,048,482	2,545,136	2,546,694	2,144,324	2,447,199
Thru-Put	243,254	173,345	202,075	225,527	232,349	218,703
Storage	-	-	-	-	5,025	-
Dockage	246,882	272,972	300,188	251,034	271,631	326,347
Wharfage	654,487	780,687	795,719	846,771	738,348	731,299
Mooring	29,231	8,403	6,158	15,031	17,448	28,205
Electricity	6,563	18,675	9,335	7,681	10,522	9,430
Water/Sewer	179,872	341,545	317,921	330,357	328,329	326,846
Billable Equipment	66,170	11,330	45,825	25,799	9,723	31,553
Billable Labor	115,654	105,328	190,654	73,905	40,922	61,079
Crane Rental	152,030	189,215	133,930	132,540	81,768	74,366
Plan Contribution	80	835	-	45	1,295	40
Miscellaneous	42,663	75,776	39,406	81,670	1,200,676	396,452
Ferry Parking	38,686	34,198	31,194	22,765	9,036	17,547
FTZ Fees	34,650	47,433	54,550	48,950	43,600	44,350
<b>Total Operating Revenue</b>	<b>3,891,724</b>	<b>4,108,224</b>	<b>4,672,092</b>	<b>4,608,769</b>	<b>5,134,997</b>	<b>4,713,417</b>
Summerfest Lease	1,501,937	1,517,327	1,533,127	1,549,442	2,465,165	1,679,243
<b>Total Port Revenue</b>	<b>5,393,661</b>	<b>5,625,551</b>	<b>6,205,219</b>	<b>6,158,211</b>	<b>7,600,162</b>	<b>6,392,660</b>
<i>Expenditures</i>						
Salaries	1,255,786	1,181,289	1,151,205	1,162,472	1,270,199	1,176,887
Employee Benefits	560,876	510,328	540,479	453,736	562,687	506,214
Operating	1,161,269	1,099,395	1,536,626	1,232,561	1,293,750	1,529,386
Special Funds	217,320	243,991	839,411	581,250	449,412	992,388
<b>Total Operating Expenditures</b>	<b>3,195,252</b>	<b>3,035,002</b>	<b>4,067,721</b>	<b>3,430,020</b>	<b>3,576,048</b>	<b>4,204,875</b>
MWF Transfer	1,501,937	1,517,327	1,533,127	1,549,442	2,465,165	1,679,243
<b>Total Port Expenditures</b>	<b>4,697,189</b>	<b>4,552,329</b>	<b>5,600,848</b>	<b>4,979,462</b>	<b>6,041,213</b>	<b>5,884,118</b>
<b>Total Surplus (Deficit)</b>	<b>696,473</b>	<b>1,073,222</b>	<b>604,371</b>	<b>1,178,749</b>	<b>1,558,950</b>	<b>508,542</b>

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