



Port Milwaukee

Presentation to the Finance
& Personnel Committee on the
2020 Proposed Executive Budget
October 7, 2019

Departmental Overview

Mission: Enhance economic environment... by stimulating domestic and international trade

- Increase private investment
- Enhance intermodal options and transportation infrastructure
- Foster development of agricultural and alternative markets
- Position Milwaukee as a Great Lakes turnaround cruise destination

Community Goal: Increasing investment and economic vitality throughout the city

- Provide land for businesses
- Stimulate trade and business

Goals & Objectives

Key Performance Measures	2018 Actual	2019 Projected	2020 Estimated
Cargo Tonnage Growth	-6.97%	+5.00%	+5.00%
Overall Tonnage: Port (Public) / All (Harbor)	1,753,828 2,393,897	1,841,519 2,513,591	1,933,595 2,639,270
Percentage of Total Expenses Covered by Revenues	107.65%	100%	100%
Port-related Job Growth	630 (Direct) 679 (Indirect)	630 (Direct) 679 (Indirect)	630 (Direct) 679 (Indirect)
Cruise Ship Visits to Milwaukee	4	11	12
Excess Deposit to Gen Fund	\$517,282	\$500,000	\$500,000
Foreign Trade Zone No. 41: Total Zones / Value	12 Zones \$2.249B (+5%)	12 Zones \$2.249B (0%)	13 Zones \$2.436B (+8%)

2020 Budget Overview

	2019 Adopted Budget	2020 Proposed Budget	Difference (amount, %)
FTEs – O&M	19.0	19.0	(0%)
FTEs - Other	-	-	-
Salaries & Wages	\$1,162,383	\$1,152,848	-\$9,535 (-1%)
Fringe Benefits	523,072	461,139	-61,933 (-12%)
Operating Expenditures	1,209,700	1,269,913	60,213 (5%)
Special Funds	2,058,000	3,600,000	1,542,000 (75%)
TOTAL	\$4,953,155	\$6,483,900	\$1,530,745 (31%)

2020 Budget reflects a 31% increase in Port expenses and revenue

- Driven primarily by changes in special fund accounts

2020 Budget Overview

- Increase in expenses matched by increase in revenue
 - Reinvestment in Port infrastructure
 - Continued financial support through General Fund transfer
- \$571,000 increase in Special Fund accounts
 - Previous budgets focused on smaller projects, repairs over time
 - 2020 plan focuses on larger deferred maintenance projects
 - Includes demolition, roof repair and replacement, and site preparation
 - Infrastructure strategy to expand Port domestic and international customer base
- Milwaukee World Festival transfer to General Fund
 - \$2.5 Million in 2020
 - Substantial lease payment every 5th year (2020, 2025, 2030, etc.)
 - 2019-2020 Total Increase: \$971,000

Port Revenues

- 2020 budgeted revenues total nearly \$6.5 Million
- Port operating revenue (\$3.9M) is generated by:
 - Tenant Leases & Agreements: \$2.12M / 53.49%
 - Cargo Tonnage/Wharfage & Passenger Fee Revenue: \$750K / 18.9%
 - Includes cruise ships and Lake Express ferry service
 - Docked Vessel Revenue: \$452K / 11.41%
 - Billable Port services: \$375K / 9.46%
 - Other: \$266K / 6.75%

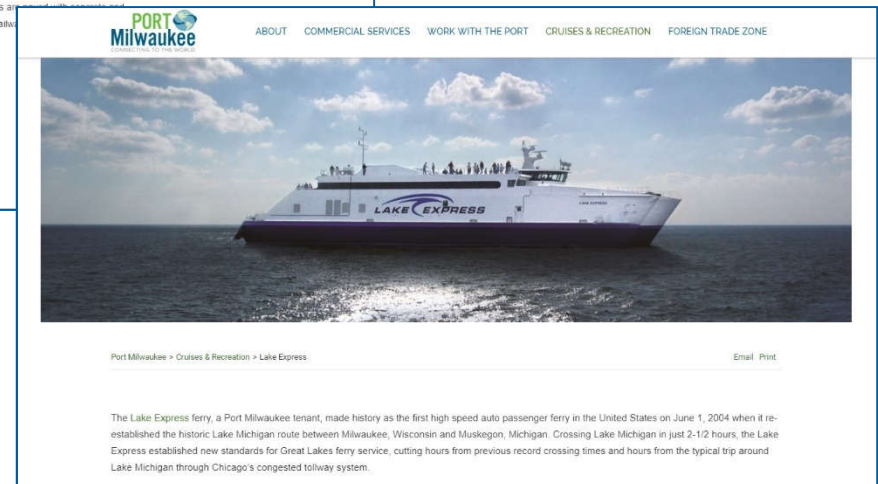
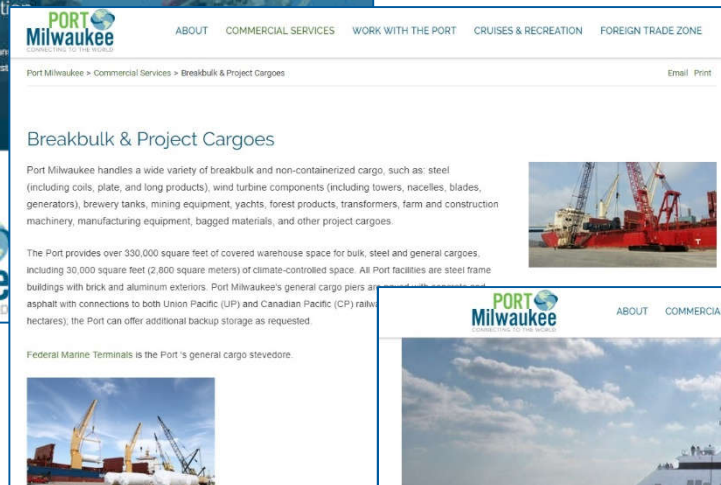
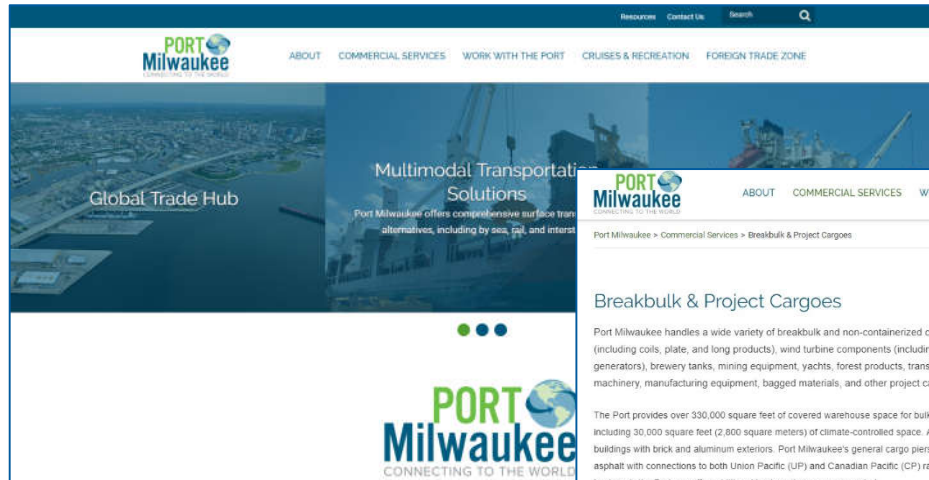
2020 Capital Projects

- Roadway Paving - \$200,000
 - Overdue paving work on Jones Island
- Rail Track Upgrades - \$275,000
 - Improvements to address safety and service load requirements
 - Ongoing improvements make the Port more attractive to potential intermodal tenants and enhance its competitive advantages
- Pier, Berth, and Channel Improvements – Funded with Carryover
 - Ongoing maintenance and improvements to the City's heavy lift dock, mooring basin, and the outer harbor
 - The State Department of Transportation provides 80% of the cost associated with this program
 - In 2020 this program will be supported using existing capital balances



Department Presentation

Port Receives National Honor in 2019



Trade Activity at Port Milwaukee

Port Commodity	2018 (Overall)	2018 (YTD*)	2019 (YTD*)	Factors & Impacts
Dry Bulk	1,497,682	1,037,689	1,346,582 (30% increase)	Increasing stabilization of the North American salt market; strong cement & limestone trades
General Cargo & Steel	175,407	97,973	121,109 (24% increase)	Robust international steel imports (despite tariff environment); first-time general cargoes at Port Milwaukee (e.g. lumber)
Liquid Cargo	81,359	46,647	34,008 (27% decrease)	Late start to the tug/barge season; optimism about late-season surge through HwyH2O toll benefit award
Grain (COFCO)	239,352	168,413	57,478 (66% decrease)	Significant decrease in export of Wisconsin-grown corn (due to international tariffs); Wisconsin soy "okay"
Port Milwaukee	1,753,828	1,182,309	1,501,699 (27% increase)	Overall Port Milwaukee cargo performance remains strong.
ALL CARGO	2,393,897	1,350,722	1,559,177 (15% increase)	Overall public (Port) AND private (e.g. companies in Milwaukee Harbor) remains strong.

* Port Milwaukee tonnage through September 1, 2019



Cruise Ships in Milwaukee

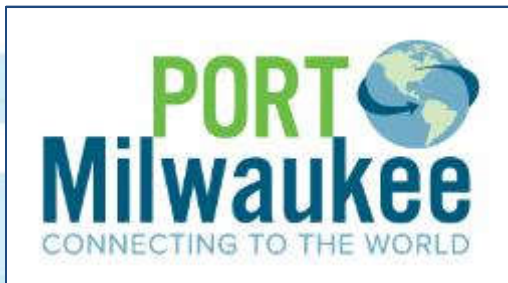
	2018	2019	2020	2021	2022
Total Days in Milwaukee	6	16	18	4+	18+
Cruise Visits	4	10	12	4+	11+
Passenger Tourists	<i>1,000 Estimated</i>	<i>2,000 – 3,500 Estimated*</i>	<i>2,500 – 4,000 Estimated</i>	<i>2,500 – 4,000 Estimated</i>	<i>7,000 – 10,000 Estimated</i>



**Final Cruise Passenger Count expected on/about November 1, 2019*

Other 2020 Goals for Port

- ✓ Strategic long-term infrastructure planning for Port
- ✓ Ongoing rail crossing and rail modernization implementation
- ✓ Reinstatement of the intermodal container service
- ✓ Expansion of water-to-rail modal shift initiatives
- ✓ Increase Seawaymax export potential at Advance parcel
- ✓ Preparation for expanded Great Lakes cruise activity



Economic Impact of Port Milwaukee

1300+ Jobs
depend on
Port activity



\$100M+
Business
Revenue
Generated

PORT 
Milwaukee
CONNECTING TO THE WORLD

Thank you for your continued support!

*On behalf of the Staff of
Port Milwaukee:*

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