

Port Milwaukee

2022 Budget Overview

Finance & Personnel Committee

Measures

Key Performance Measures	2020 Actual	2021 Projected	2022 Planned
Tonnage Growth	5.4%	0.0%	0.0%
Percentage of total expenses covered by revenues	119.0%	100.0%	100.0%
Port related job growth	630 (Direct) 679 (Indirect)	630 (Direct) 679 (Indirect)	630 (Direct) 679 (Indirect)
Cruise ship visits	0.0	0.0	17.0

- Cruise ship passengers
 - 2020: 0 (COVID-19 public health guidance)
 - 2021: 0 (COVID-19 public health guidance)
 - 2022: 9,000+ (estimates 80% vessel capacity)
 - Pearl Seas, Viking, etc.

2022 Budget Summary

Category	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
FTEs - O&M	19.00	21.00	2.00	11%
FTEs - Other	0.00	0.00	0.00	0%
Total Positions Authorized	35	35	0	0%
Salaries & Wages	\$1,213,049	\$1,339,579	\$126,530	10%
Fringe Benefits	558,003	616,206	58,203	10%
Operating Expenditures	1,208,125	1,437,000	228,875	19%
Special Funds	2,719,243	3,463,503	744,260	13%
TOTAL	\$5,698,420	\$6,856,288	\$1,157,868	20%

Salary & Wages

Two Previously Unfunded Positions

- +1 Civil Engineer III – Previously unfunded auxiliary position
- +1 Port Operations Technician – Authorized, unfunded

City-wide Market Study

- Engineering Division all positions

Classification Study

- Engineering Technician II to Engineering Technician IV

Operating

Account	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
Property Services	\$ 470,400	\$ 540,000	\$ 69,600	15%
Infrastructure Services	285,000	400,000	115,000	40%
Other Operating Services	115,000	175,000	60,000	52%
Reimburse Other Departments	160,000	137,000	(23,000)	-14%
TOTAL	\$ 1,208,125	\$ 1,437,000	\$ 228,875	18.9%

- Operating expenditures based on service needs in 2022
 - Increase in Port service contracts
 - Sustained increase in global price of steel, lumber, specialty transportation products, etc.
 - Anticipated increase in water rates and usage
 - Increase in Port dues and membership fees

Special Funds

Account	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
Summerfest Revenue Transfer to Gen. Fund	\$ 1,679,243	\$ 1,698,502	\$ 19,259	1%
Debt Service Payment - RACM Loan	-	700,000	700,000	0%
Lease Payment Transfer	-	1	1	0%
Leasehold Demolition/Facilities Upgrade	180,000	200,000	20,000	11%
Dockwall and Breakwater Rehabilitation	270,000	275,000	5,000	2%
Major Maintenance-Terminals & Piers	500,000	500,000	-	0%
Equipment Rehab. and Upgrade	90,000	90,000	-	0%
TOTAL	\$ 2,719,243	\$ 3,463,503	\$ 744,260	27%

- \$700K Debt Service Payment (1st of 10 years recurring)
 - Borrowing to support new DeLong agricultural facility
 - Loan provides Port match funds (16%) for \$34.7 million project
 - Other project funding sources:
 - U.S. Department of Transportation: \$15.8 million
 - DeLong Company: \$7.1 million
 - WI Department of Transportation: \$6.1 million

Revenues

Charges for Service	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
Operating Revenue	\$ 4,159,500	\$ 5,115,288	\$ 955,788	23%
Milwaukee World Festival Lease	1,679,000	1,698,000	19,000	1%
Total	\$ 5,838,500	\$ 6,813,288	\$ 974,788	24%

- Increase in revenue mainly due to an increase in Port facility utilization
 - Additional tenants
 - DeLong Company: Up to 30 years
 - Marek Landscaping: Up to 50 years
 - Expanded tenant footprint
 - Michels Corporation: Up to 99 years

Capital Improvements Budget

Category	2021 Adopted Budget	2022 Proposed Budget	Amount Change	Percent Change
Pier, Berth, and Channel Improvements	-	\$ 967,000	\$ 967,000	-
Terminal & Facility Maintenance	200,000	404,000	204,000	102%
Roadway Paving	200,000	-	(200,000)	-100%
Rail Track & Service Upgrades	275,000	1,441,000	1,166,000	424%
Total	\$ 675,000	\$ 2,812,000	\$ 2,137,000	317%

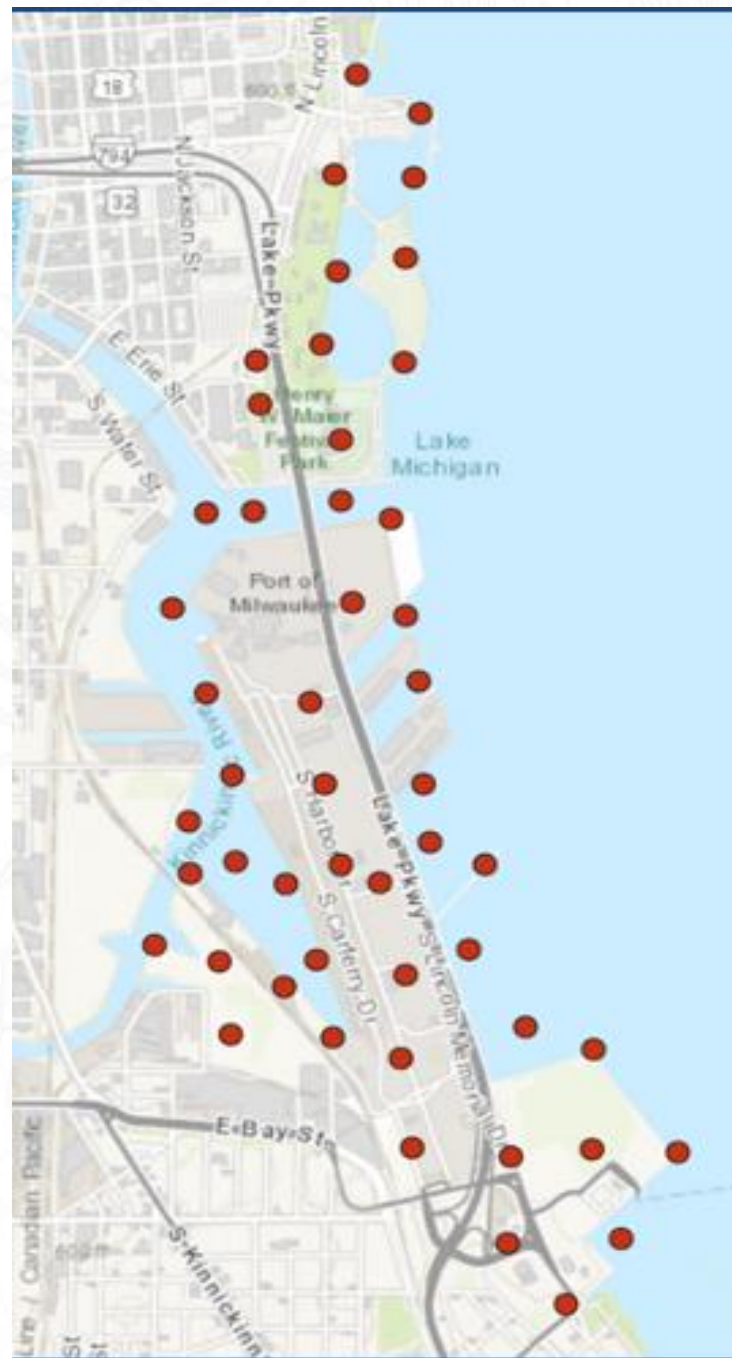
- Informed by 50 Year Capital Asset Renewal Plan (CARP)
 - Addresses deferred maintenance on Port's aged facilities
 - Mitigates further degradation of dock walls, terminals, and rail
 - Forecasts coastal resiliency, climate change impacts

CAPITAL ASSET RENEWAL PLAN

VISIONING INVESTMENT NEEDED FOR THE PORT'S FUTURE

- 50 year strategic plan to manage and invest in Port assets
 - **Current assets valued at \$187M**
- Coastal resiliency key consideration of the plan
- Assets grouped into 10 primary categories
- Preventative maintenance with funding schedule
 - **Renewal cost through 2070 estimated at \$205M**

Buildings, Terminals, and Warehouses	Dockwalls	Pavement and Roads	Navigational Areas
Fencing	Green Infra. & Public Spaces	Lighting	Rail
	Utilities	Vehicles, Vessels, Cranes, and Equipment	



PORT COMMERCIAL TONNAGE

WORKING THROUGH INTERNATIONAL SUPPLY CHAIN DISRUPTION

Description	2019 (Total)	2020 (Total)	2020 (YTD, 9/1)	2021 (YTD, 9/1)	2021 (% Change)
Dry Bulk (incl. cement)	1,935,727	1,919,135	1,307,506	1,062,484	-19%
Steel	186,209	182,955	98,584	91,166	-8%
Gen. Cargo	3,071	396	346	2,183	+531%
Liquid Cargo	57,803	45,714	32,559	34,256	+5%
Grain	123,565	224,688	67,500	72,000	+7%
PUBLIC PORT	2,182,810	2,148,200	1,439,036	1,190,008	-17%
OVERALL	2,668,624	2,812,008	1,506,536	1,262,088	-16%

2020: Highest Commercial Port Performance in 7 Years

INTERNATIONAL CRUISE ACTIVITY

PREPARING FOR A ROBUST RETURN IN 2022

- No cruise activity in 2020, 2021 due to COVID-19 public health guidance
- Two dedicated cruise docks
- Signed long-term agreement with *Pearl Seas*, continuing through 2040
- Start/stop port of call for new *Viking* itineraries, beginning 2022
- Estimated 9,000+ cruise passengers in 2022
- Accepted cruise vessel bookings through 2025
- Seeking State, Federal Funding for \$6M in needed dock improvements
- Public Request for Interest (RFI) offering for land-side developments



ONGOING PROJECTS & INITIATIVES

IDENTIFYING OPPORTUNITIES; ADDRESSING CAPITAL NEEDS



AGRICULTURAL MARITIME EXPORT FACILITY

- \$35M investment
- Partnership with the DeLong Co.
- Export of DDGs, Soy, Grain, Corn
- Increase Port tonnage 200-300K
- ~\$40M worth of product/annually
- Groundbreaking on 10/13
- RACM bond repayment \$700K/year



DREDGED MATERIAL MANAGEMENT FACILITY

- Key Area of Concern (AOC) project
- Storage of 1.9M cubic yards of removed contaminated sediment from Milwaukee rivers
- City, State, Federal collaborative effort
- Economic and environmental benefits



JANUARY 2020 FLOOD RECOVERY

- Approximately \$2M in damage, 90% remediated to-date
- WisDOT and FEMA emergency grant funding implemented
- Remaining items to be fully resolved by July 1, 2022
- Final BHC contract review in December 2021



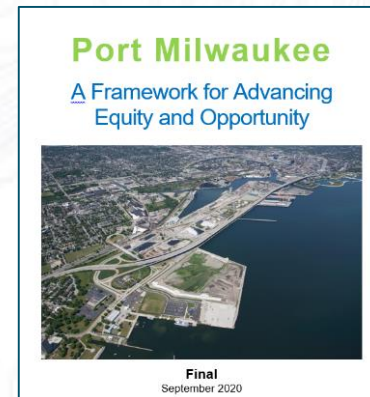
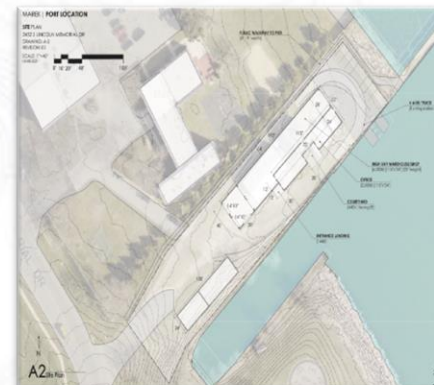
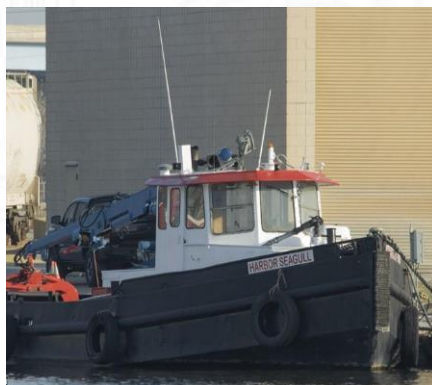
ASCENT PROJECT

- World's largest mass timber project at 700 E. Kilbourn
- Imported Austrian lumber via Baltimore and Montreal
- Port role in supply chain of delivering cargo to project site
- Model for future local engagement



ONGOING PROJECTS & INITIATIVES

CONTINUED



HARBOR SEAGULL SINKING

- Port-owned tugboat sunk due to failed rudder tube packing system and bulkhead compromises
- Decision to use internal Port staff for vessel repair; less expensive/more time
- Estimated cost: \$350K
- Total cost (to-date): \$90K + 500 work hours
- To sail again before 01/01/22?

CANADIAN PACIFIC RAIL MERGER

- \$31B bid to assume Kansas City Southern (KCS)
- Ongoing governance review by federal Surface Transportation Board (STB)
- 1st North-South US, Mexico, Canada (USMCA) rail line
- Future business, intermodal opportunities

NEW TENANT: MAREK LANDSCAPING

- Long-term lease approved by Council in September 2021 on 0.87 acre property
- Preventative maintenance with investment schedule
- Expands public access at Russell Avenue Fishing Pier
- \$1.4M in new City revenue; \$3M in new Port development

EQUITY & INCLUSION

- Harbor Commission unanimously approved Mission & Vision change for Port in Feb. 2021
- Expanded community, educational sponsorship and outreach in 2021
- New trainings for staff, tenants

THANK YOU FOR YOUR CONSIDERATION

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