

# Port of Milwaukee

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**2019 Budget Overview**  
**Finance & Personnel Committee**  
**October 8, 2018**

# Community Goals and Objectives

**Increasing investment and economic vitality throughout the city.**

- ❑ Provide land for businesses
- ❑ Stimulate trade and business

# Community Goals and Objectives

| Key Performance Measures                               | 2017 Actual                    | 2018 Planned                   | 2019 Planned                   |
|--|--------------------------------|--------------------------------|--------------------------------|
| Total growth   | 5.4%                           | 0%                             | 0%                             |
| Percentage of total expenses covered by revenue        | 114%                           | 100%                           | 100%                           |
| Port related job growth                                | 630 - direct<br>679 - indirect | 630 - direct<br>679 - indirect | 624 - direct<br>732 - indirect |
| Excess revenue deposited in the tax stabilization fund | \$834,674                      | \$750,000                      | \$750,000                      |

# 2019 Budget Overview

|                               | 2018 ADOPTED<br>BUDGET | 2019 PROPOSED<br>BUDGET | DIFFERENCE<br>(amount, %) |
|-------------------------------|------------------------|-------------------------|---------------------------|
| <b>FTEs – O&amp;M</b>         | 19.0                   | 19.0                    | 0 (0%)                    |
| <b>FTEs - Other</b>           |                        |                         |                           |
|                               |                        |                         |                           |
| <b>Salaries &amp; Wages</b>   | \$1,227,187            | \$1,162,383             | -\$64,804 (-5%)           |
| <b>Fringe Benefits</b>        | 564,506                | 523,072                 | -41,434 (-7%)             |
| <b>Operating Expenditures</b> | 1,216,000              | 1,209,700               | -6,300 (-1%)              |
| <b>Special Funds</b>          | 2,124,000              | 2,058,000               | -66,000 (-3%)             |
| <b>TOTAL</b>                  | \$5,131,693            | \$4,953,155             | -\$178,538 (-3%)          |

# 2019 Capital Projects

- ❑ Rail Grant - \$750,000
  - Serves as a 20% match for a Wisconsin Department of Transportation Grant and provides funding to supplement existing rail track upgrades.
- ❑ ADA Improvements - \$225,000
  - 2019 budget provides funding for ADA projects, which will include accessible entrance signage, restroom renovations, parking signage, and ADA compliant hardware.
- ❑ Rail Track Upgrades - \$275,000
  - Funding will be utilized for additional improvements to address safety and service load requirements. These ongoing improvements, in conjunction with other facility improvements, will make the Port more attractive to potential tenants and enhance its competitive advantages.
- ❑ Pier, Berth, and Channel Improvements - \$200,000
  - 2019 budget provides funding for 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.

# 2018 Revenue

## Revenues

- ❑ The majority of Port revenues are derived from a combination of facility rentals and the Summerfest lease.
- ❑ 2019 budgeted revenues total approximately \$5.0 million.

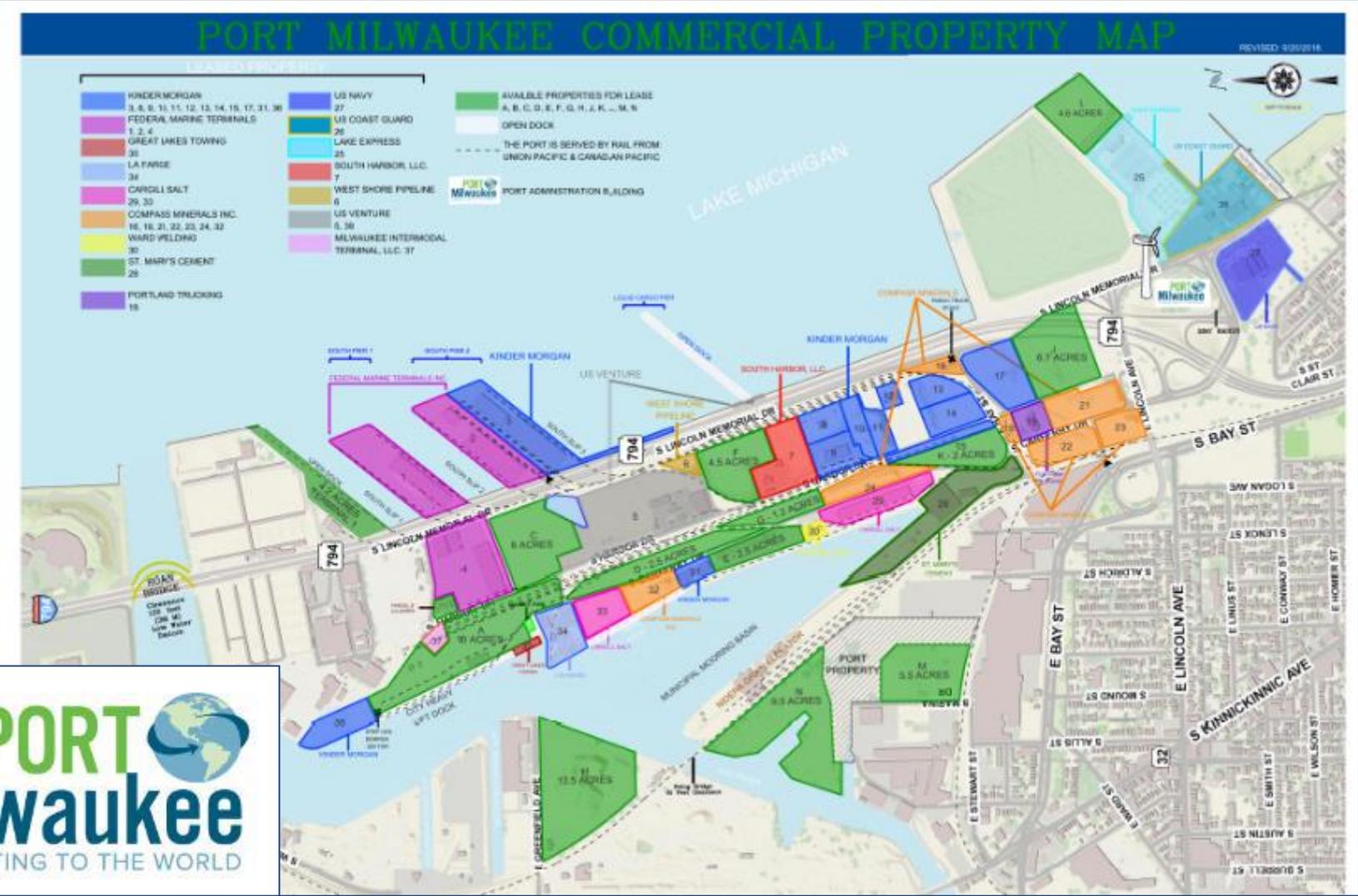
# Department Presentation

# Port Milwaukee: 2019 Departmental Presentation

- Commercial Property & Port Tenants
- Economic Impact of Port Milwaukee
- Trade Activity at Port Milwaukee
- Foreign Trade Zone (FTZ) No. 41 Use
- Initiative: Cruise Ships in Milwaukee
- Initiative: Port of Duisburg MOU
- Other 2019 Goals



# Commercial Property & Port Tenants



# Economic Impact of Port Milwaukee

1300+ Jobs  
depend on  
Port activity



\$100M+  
Business  
Revenue  
Generated

**PORT**   
**Milwaukee**  
CONNECTING TO THE WORLD

# Trade Activity at Port Milwaukee

| Port Commodity        | 2017 (Overall) | 2017 (YTD*) | 2018 (YTD*)                 | Factors & Impacts  |
|-----------------------|----------------|-------------|-----------------------------|--|
| Dry Bulk              | 1,718,894      | 1,299,181   | 1,038,820<br>(20% decrease) | Salt mine shut down in Goderich, Ontario in mid-2018 has affected global salt availability. Tonnage expected to recover by early 2019. |
| General Cargo & Steel | 188,480        | 91,026      | 97,973<br>(7.6% increase)   | Increased rail loading through Port Milwaukee.   |
| Liquid Cargo          | 25,452         | 14,452      | 46,647<br>(222% increase)   | Increased utilization of Port Milwaukee Liquid Bulk Pier (e.g. Wisconsin ethanol).   |
| Grain                 | 245,803        | 177,513     | 148,413<br>(16% decrease)   | Multiple export grain ships scheduled for fall 2018; tonnage expected to fully recover by end of 2018.                                 |

\* Through September 1

# Foreign Trade Zone (FTZ) No. 41 Use

- 7 Total Active Operators
- 11 Approved Operators
- 1 Forthcoming Application
- 4,137 impacted jobs in FTZ
- \$2B+ in economic activity
- Generates \$37K+ in Port revenues



# Initiative: Cruise Ships in Milwaukee

|               | 2017                                    | 2018   | 2019   |
|---------------|---|--|--|
| Cruise Visits | 6                                       | 6  | 15*  |
| Vessel Total  | 3                                       | 4  | 6*   |
| Vessel Names  | Blue Moon;<br>Grand Mariner;<br>Hamburg | Blue Moon;<br>Grand Mariner;<br>Pearl Mist;<br>Hamburg | <u>To Be Announced</u><br><br>(*Scheduled/forecasted as<br>of October 1, 2018) |



# Initiative: Port of Duisburg MOU

- **International Trade Mission to Belgium and Germany in October 2018 with Great Lakes Governors' and Premiers' organization**
- **Includes establishment of Memorandum of Understanding (MOU) with Port of Duisburg, Germany**
  - Largest Inland Port in the World
  - Major, new trading partner for Port Milwaukee
- **Focus on: Trade and Market Development; Port Operations; Stakeholder Engagement; and New Technologies**



# Other 2019 Goals

- ✓ Increased marketing and global outreach of Port Milwaukee; attracting new tenants and customers
- ✓ Re-instatement of intermodal service in Milwaukee
- ✓ Support for Komatsu Headquarters development
- ✓ Maintain world-class customer service for existing and new Port tenants



# Thank you for your continued support!

*On behalf of the Staff of  
Port Milwaukee:*

**Adam Schlicht**

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