



REPORT

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10. Port of Milwaukee, 2014

Proposed Plan and Executive Budget Review

10. Port of Milwaukee

I. EXECUTIVE SUMMARY.

Table 10.1. Statement of Changes in Operating Budget, 2013 to 2014.

2012 Actual Expenditures	\$4,380,145
2013 Adopted Budget	\$4,581,521
Personnel Costs	
Salaries & Wages	(\$3,525)
Fringe Benefits	(\$1,693)
Total Changes	(\$5,218)
Operating Expenses	(\$15,000)
Equipment Purchases	\$0
Special Funds	\$78,000
Total Changes	\$57,782
2014 Proposed Budget	\$4,639,303

1. IT support transferred from outside vendors to DOA-ITMD. In keeping with the City's policy of consolidating information technology functions in DOA-Information Technology and Management Division, the 2014 Proposed Budget calls for transferring the Port's IT support from outside vendors to DOA-ITMD.

2. Special fund appropriations up 4.3%. Appropriations for several special funds, including Energy Efficiency Upgrade, Sewer System Upgrade, and Dockwall and Breakwater Rehabilitation, are increased in recognition of the amount of infrastructure-maintenance work anticipated in 2014.

3. Funding for Port Operations and Trade Director position eliminated. As a result

of a Common Council budget amendment, this position was funded for only 2 months in 2013. The 2014 Proposed Budget ends all funding for the position, which is currently filled.

4. Port revenues increase 1.3%. The Proposed Budget estimates that the Port's revenues will rise 1.3% from budgeted 2013 levels. Increases in Crane Rental, Billable Labor and Miscellaneous Charges are expected to be particularly strong and reflect long-term upward trends in actual revenues from those categories.

5. \$750,000 provided for capital projects. Funding for 3 capital projects totaling \$750,000 is provided in the 2014 Proposed Budget, compared to \$1.075 million for 7 projects in the 2013 Adopted Budget. All 2014 capital funding is new borrowing authority.

6. Pier, Berth and Channel Improvements matching grant funding. The 2014 Proposed Budget includes \$200,000 in the Pier, Berth and Channel Improvements capital account as the City's 20% local match for a \$1 million WisDOT grant-funded project consisting of infrastructure improvements at various locations, including the mooring basin, the heavy lift dock and the outer harbor.

7. Capital funding for Rail, Track and Service Upgrades. The 2013 Proposed Budget provides \$500,000 in capital funding to continue its recently-commenced program of replacing railroad crossings and upgrading all 17 miles of its track to a heavier-grade steel. The 2013 Adopted Budget provided \$250,000 for this initiative.

II. INITIATIVES AND PROGRAMS.

1. Rail Track and Service Upgrades.

The Port maintains 17 miles of railroad track to serve its customers and tenants. This track needs upgrading from 90-lb. to 110/115-lb. weight to meet modern safety and service-load requirements. The 2014 Proposed Budget provides \$500,000 in capital funding for the upgrading of track, as well as for railroad-crossing replacement. This is in addition to \$250,000 in capital funding in the 2013 Budget. In June, 2013, the Port entered into a service agreement (contract) with a railroad construction contractor to begin this project.

2. Pier, Berth and Channel Improvements.

The Port anticipates being awarded an \$800,000 Wisconsin DOT Harbor Assistance Program grant in 2014 for infrastructure improvements at various locations, including the mooring basin, the heavy lift dock and the outer harbor. The 2014 Proposed Budget includes \$200,000 in capital funding ("Pier, Berth and Channel Improvements") as the City's local match for this grant-funded project. The Pier, Berth and Channel Improvements account was also funded in the amount of \$200,000 in the 2013 Budget, but no grant was awarded to the City and, therefore, no funds were expended. At this time, Port staff are not sure whether this grant funding will be available in 2014 and, if so, how much funding could be available to the City of Milwaukee.

3. Management Restructuring.

The 2014 Proposed Budget eliminates funding, but not position authority, for the second-in-command Port Operations and Trade Director position. This change is being made in anticipation of the filling of the Port's top position, Municipal Port Director. Retention of the position authority for the Port Operations and Trade Director in 2014 will provide a means to keep a head administrator at the Port until the new Municipal Port Director is hired. The Port Operations and Trade Director position is currently filled. Elimination of the funding for this position will save \$94,166.

See also ISSUES TO CONSIDER, Section VIII on page 10.12.

III. EXPENDITURES.

Table 10.2. Changes in Expenditure Amounts by Account.

Expenditure Account	2012 Actual Expenditures	2013 Adopted Budget	% Chng.	2014 Proposed Budget	% Chng.
Salaries and Wages	\$1,160,149	\$1,199,676	3.4%	\$1,196,151	-0.3%
Fringe Benefits	\$559,733	\$575,845	2.9%	\$574,152	-0.3%
Operating Expenditures	\$940,565	\$1,006,000	7.0%	\$991,000	-1.5%
Equipment Purchases	\$0	\$0	0	\$0	0
Special Funds	\$1,719,698	\$1,800,000	4.7%	\$1,878,000	4.3%
Total Operating Budget	\$4,380,145	\$4,581,521	4.6%	\$4,639,303	1.3%

1. Budget Summary.

The total 2014 Proposed Budget is \$4,639,303, an increase of \$57,782 (1.3%) from the 2013 Adopted Budget amount of \$4,581,521.

2. Personnel Costs.

Personnel costs in the 2014 Proposed Budget are \$1,770,303, a decrease of \$5,218 (-0.3%). Salaries and wages decrease \$3,525 (-0.3%). Fringe benefits decrease \$1,693 (-0.3%).

3. Operating Expenditures.

Operating expenditures in the 2014 Proposed Budget are \$991,000, a decrease of \$15,000 (-1.5%) from the 2013 Adopted Budget amount of \$1,006,000. The most significant changes in operation expenditures occur in the following line items:

- **Property Services.** Funding reduced from \$300,000 to \$175,000 (-41.7%), primarily to bring funding in line with actual expenditures (\$153,916 in 2012). Also, major maintenance projects are now budgeted within the appropriate special funds, which has helped to reduce expenditures from this account.
- **Non-Vehicle Equipment Rental.** Funding increased from \$8,000 to \$75,000 (837.5%). The Port's fleet of cranes is aging and, to maintain crane service to its tenants and shippers, the Port needs to have adequate funding available for rental equipment in 2014.
- **Infrastructure Services.** Funding increased from \$125,000 to \$185,000 (48.0%), consistent with actual 2012 expenditures of \$187,176.
- **Reimburse Other Departments.** Funding increased from \$45,000 to \$100,000 (122.2%), reflecting the City's overall policy of consolidating information technology management under DOA-Information Technology Management Division. For 2014, the

Port's technology support will be provided by ITMD, rather than outside vendors (hence the reduction of the Port's Information Technology Services line item from \$50,000 to \$0).

4. Equipment Purchases.

None

5. Special Funds.

The 2014 Proposed Budget provides \$1,878,000 in special funds, an increase of \$78,000 (4.3%) from the 2013 Adopted Budget. The most significant changes in the special fund line items are as follows:

- **Energy Efficiency Upgrade.** Funding increased from \$0 in 2013 to \$50,000 for 2014. The purpose of this special fund, which was last funded in 2010 (\$50,000), is to improve the energy efficiency of Port terminal buildings by replacing their roofs with aluminum-coated roofs. The Port has exhausted carryover funds and has identified additional building systems for review in 2014.
- **Sewer System Upgrade.** Funding also increased from \$0 in 2013 to \$50,000 for 2014. The Port's independent sewer system is periodically upgraded in conjunction with DPW street-paving projects. The 2014 funding will pay for any sewer work needed in conjunction with 2014 paving projects on Jones Island. This account was last funded in 2012 (\$30,000).
- **Environmental Cleanup Fund.** Funding reduced from \$50,000 in 2013 to \$0 for 2014. This fund pays for environmental monitoring and cleanup related to DNR-required environmental remediation of Port-controlled properties. The Port anticipates using carryover funds to complete all 2014 environmental cleanup projects.
- **Dockwall and Breakwater Rehabilitation.** Funding increased from \$70,000 to \$100,000 (42.9%). This special fund supports an ongoing program to maintain the Port's dockwalls in an appropriate condition to meet the needs of modern cargo-handling activity and to prevent costly emergency repairs. Historically, the Port has also used capital funding and grant proceeds to pay for this type of work. With the current low water level of Lake Michigan, the dockwalls have been subject to additional load-related stress; hence the need for a higher level of funding in 2014.
- **Summerfest Revenue Transfer to General Fund.** Funding increased \$18,000, from \$1,360,000 to \$1,378,000 (1.3%). This special fund serves as a pass-through for revenue from Milwaukee World Festival, Inc., to the City. The increase for 2014 reflects scheduled increases in rent payments under the Milwaukee World Festival, Inc.'s lease agreement with the City.

IV. PERSONNEL.

Table 10.3. Changes in Full-Time Equivalent (FTE) and Authorized Positions.

Position Category	2012 Actual	2013 Adopted Budget	Change	2014 Proposed Budget	Change
O&M FTEs	21.0	20.17	0	20.0	-0.17
Non-O&M FTEs	0	0	0	0	0
Total Authorized Positions*	37	37	0	37	0

*including auxiliary positions and Harbor Commissioners.

1. Personnel Changes.

The total number of authorized positions in the department under the 2014 Proposed Budget — 37—is unchanged from 2012. However, the number of FTEs decreases from 20.17 to 20 because funding (but not position authority) for the Port Operations and Trade Director position is eliminated.

This relatively new position, created in 2012, is responsible for overseeing the day-to-day marketing, operational, administrative and financial activities of the Port, providing technical and administrative support to the Board of Harbor Commissioners, and serving as second-in-command to the Municipal Port Director.

The incumbent has been serving as the *de facto* Municipal Port Director since the last Municipal Port Director retired in July, 2012. By Common Council budget amendment, the Port Operations and Trade Director position was funded for only 2 months in 2013—hence the 0.17 FTE in the 2013 Adopted Budget.

2. Vacancies.

There are currently 5 vacant positions in the department:

- Municipal Port Director (Date vacant: 7/7/12). This is an appointed position that may be filled by the Mayor at his discretion. The Department of Employee Relations is conducting a nationwide recruitment of candidates for this position.
- Trade Development Representative—Senior (Date vacant: 4/12/13). This is one of 3 funded positions in the Port's Marketing Section. The Port has filed a request to fill the position.
- Port Maintenance Technician (Date vacant: 9/27/13). This is one of 4 funded positions with this title.
- Port Maintenance Technician—2 positions (Dates vacant: 2007 and 2008). Both positions are unfunded.

3. Personnel Cost Adjustment.

The Port's personnel cost adjustment is being reduced from \$53,642 in the 2013 Adopted Budget to \$24,536 in the 2014 Proposed Budget (-54.3%). The primary reason for this reduction is that the 2013 figure was based on the assumption that the Municipal Port Director would be vacant for most of this year, while the 2014 figure assumes that the position will be filled for the duration of 2014.

V. SPECIAL PURPOSE ACCOUNTS (SPA).

None.

VI. REVENUES.

The 2014 Proposed Budget estimates that \$4,639,303 will be generated in revenues by the department, a \$57,782 (1.3%) increase from the 2013 Budget estimate. Note: because the Port operates as a self-supporting "enterprise fund," its revenues are set to match its expenditures.

1. Revenue Categories.

The largest sources of Port of Milwaukee revenue are shown in the following table.

Table 10.4. Changes in Revenue by Category.

Revenue Account	2012 Actual	2013 Adopted Budget	% Change	2014 Proposed Budget	% Change
Facility Rent*	\$2,539,200	\$2,000,000	-21.2%	\$2,000,000	0%
Wharfage Charges	\$471,100	\$637,500	35.3%	\$470,000	-26.3%
Crane Rental Charges	\$264,900	\$130,000	-50.9%	\$265,000	103.8%
Billable Labor Charges	\$249,900	\$225,000	-10.0%	\$260,000	15.6%
Dockage Charges	\$249,400	\$275,000	10.3%	\$250,000	-9.1%

*Does not include rent payments for Maier Festival Park, which, based on lease agreement, will be \$1,378,300 for 2014.

- **Facility Rent.** No change is projected for 2014. The \$2 million estimate is based on the Port's current lease agreements.
- **Wharfage.** Effective 2/14/2013, the Port's tariff for wharfage of steel was reduced from \$0.60 to \$0.50 per metric ton. The 2014 revenue projection is reflects both this lower wharfage rate as well as actual wharfage revenues in 2012.

- **Crane Rental Charges.** The large increase in this revenue category reflects the growing popularity of the Port's crane rental services. Actual revenue in 2012 -- \$264,900 -- was more than double the estimated 2012 revenue (\$100,000).
- **Billable Labor Charges.** The 2014 estimate is consistent with 2012 actual revenue and reflects a general upswing in revenue from this category..
- **Dockage Charges.** The 2014 estimate reflects actual revenue in this category in 2012.

2. Current-Year Revenue Trends.

Through September 30, the Port has experienced a 4.8% increase in revenues compared to the same period last year. Table 10.5 shows 2012 and 2013 year-to-date revenues for the Port's major revenue categories.

Table 10.5. Port of Milwaukee Revenue Through September 30.

Revenue Account	2012	2013	% Change
Facility Rent*	\$1,786,348	\$1,665,201	-6.8%
Wharfage Charges	\$302,209	\$489,257	61.9%
Crane Rental Charges	\$151,365	\$148,660	-1.8%
Billable Labor Charges	\$131,475	\$106,254	-19.2%
Dockage Charges	\$151,818	\$177,416	16.9%

*Does not include rent payments for Maier Festival Park.

3. Port Cargo Data.

The Port's revenues are heavily dependent on the amount of incoming and outgoing cargo handled at its terminals and facilities. As the following table shows, 2012 was a particularly weak year for the Port. This was, in part, due to the termination of intermodal container service in September, 2012. However, 2013 cargo data look promising, particularly among dry bulk shipments (salt, cement, etc.).

Table 10.6. Changes in Amount of Cargo, Tons, Port of Milwaukee.

2010	2011	2012	Thru August, 2012	Thru August, 2013	% Change
2,324,566	2,892,798	2,014,149	1,347,982	1,800,163	33.5%

4. Port Surplus Revenue Transfers to City General Fund.

As previously mention, the Port of Milwaukee operates as a self-supporting “enterprise fund”. When the department’s revenues exceed its expenditures, the surplus revenue is transferred to the City’s General Fund. For the past several years, even with declining or below-average cargo volumes, the Port’s revenues have exceeded its operating expenses (excluding depreciation), resulting in the following amounts being transferred to the General Fund:

Year	Amount	Year	Amount
2005	\$1,707,000	2009	\$1,076,000
2006	\$939,000	2010	\$902,300
2007	\$1,634,000	2011	\$1,590,000
2008	\$208,000	2012	\$1,211,000

VII. CAPITAL PROJECTS.

The 2014 Proposed Budget includes \$750,000 in funding for 3 Port of Milwaukee capital projects, a decrease of \$325,000 (-30.2%) from the 2013 Budget, when 7 capital projects were funded. Capital projects for 2014 are summarized in Table 10.6 and the discussion that follows.

Table 10.6. Capital Program Summary, 2014.

Program	2014 Proposed Budget	2013 Actual Budget	Increase (decrease)	% Chng.	6-year Request 2014-2019
Pier, Berth & Channel Improvements	\$200,000	\$200,000	\$0	0.0%	\$1,200,000
Port Security	\$0	\$50,000	(\$50,000)	-100%	\$550,000
Rail, Track & Service Upgrades	\$500,000	\$250,000	\$250,000	100%	\$1,500,000
Port Facility Systems	\$50,000	\$0	\$50,000	0%	\$300,000
Roadway Paving	\$0	\$100,000	(\$100,000)	100%	\$100,000
Confined Disposal Facility Expansion	\$0	\$75,000	(\$75,000)	100%	\$0
Terminal Resurfacing	\$0	\$150,000	(\$150,000)	100%	\$350,000
Liquid Cargo Pier	\$0	\$250,000	(\$250,000)	100%	\$0
Total	\$750,000	\$1,075,000	(\$325,000)	30.2%	\$4,000,000*

*Total does not include projects that are not funded for 2014 and did not receive funding in 2013. The total 6-year capital request for the Port of Milwaukee is \$10,000,000.

In addition to capital funding, the 2014 Proposed Budget provides \$500,000 in tax-levy-supported special funds that can be used to maintain infrastructure. This represents an increase of \$60,000 (13.6%) from the 2013 budgeted amount, and is significantly more than actual expenditures in 2012.

1. Currently-Funded Projects.

Pier, Berth and Channel Improvements, \$200,000.

This program provides funding for improvements to the mooring basin, the City's heavy lift dock and the outer harbor. This program is funded in part through the Wisconsin Department of Transportation's Bureau of Railroads and Harbors grant program. Approximately 80% of the cost of these improvements will be paid by the grant. This capital fund provides the City's 20% match of the grant funding. No Harbor Assistance grants were received in 2013.

Since 2000, this program has received \$3,970,000 in City funding. No funding was received in 2010, 2011 or 2012. The 2013 Budget provided \$200,000. No work has been completed by the Port in 2013. Expenditures in 2012 were \$6,109. There is \$200,000 of carryover borrowing authority remaining in this account.

Rail, Track & Service Upgrades, \$500,000.

This program provides funding to upgrade the Port's 17 miles of rail track system on an on-going basis to meet modern-day safety and service-load requirements.

The Port planned to begin a railroad-crossing replacement program in 2013. The Port is also developing a 5-year program to upgrade track from 90 lb. rails to 110 lb. or 115 lb. rails. The Port has entered into a service agreement with Knapp Railroad Builders, Inc. to facilitate track maintenance and upgrades. The agreement expires in December, 2013, with options to extend for 2 additional years. The estimated value of the contract is \$196,000. Work is anticipated to start shortly. The contractor will focus first on replacing the lead track, then on street crossings. Street-crossing work will be coordinated with paving work.

Since 2000, this program has received \$475,000 in funding. No funding was provided from 2008 through 2012. The 2013 Budget provided \$250,000. There is \$250,000 of carryover borrowing authority remaining.

Port Facilities Systems, \$50,000.

This program provides for major maintenance and repairs to terminals and piers. This fund is also used to do emergency work for projects which exceed special funds set aside for Major Maintenance. No specific projects were identified for 2014.

This program has not received capital funding since 2008, when it received \$100,000. There is no carryover borrowing authority (\$67,000 of borrowing authority lapsed in 2013). There were no expenditures from this account in 2012. Two projects are scheduled for 2013.

The Major Maintenance special purpose account can be used to fund similar work. Average funding for the Major Maintenance special purpose account since 2010 is just over \$100,000. Proposed funding for 2014 is \$125,000. Average expenditures for 2010 through 2012 were

\$102,000 annually.

2. Unfunded Capital Requests.

Dockwall Rehabilitation, \$150,000.

The 2014 Proposed Budget provides no funding for this program, which is necessary to avert costly emergency repairs and to maintain the dockwall in appropriate condition for cargo operations. Lease documents often require the City to maintain dockwalls for its tenants. Loss of revenue to the City may result if the dockwalls are not kept in a safe and useable condition.

Since 2004, this program has received \$800,000 in funding. This program has \$150,000 of carryover borrowing authority. The Port also receives O&M funding through a special fund to maintain its dockwalls. The special fund received \$100,000 in 2011 and 2012 and \$70,000 in 2013; \$100,000 is proposed for 2014.

There were no expenditures from the capital account or the special fund in 2012 for this program. However, a contract for approximately \$86,000 of dockwall repair has been awarded and is scheduled to start the week of October 7, 2013.

Port Security, \$50,000.

The 2014 Proposed Budget provides no funding for this program, which is used to implement security measures and mandates enacted by the Department of Homeland Security and the U.S. Coast Guard. Funds in this account are used to match grant funding.

Since 2004, \$900,000 has been budgeted in this account. No funding was received in 2010, 2011 or 2012. The 2013 Budget provided \$50,000. A \$25,000 contract to provide security training to Port staff will be awarded in 2013. There is \$50,000 of carryover borrowing authority remaining in this account. There is no proposed funding for the Harbor Security special fund for 2014.

Analyze and Upgrade Sewer System, \$150,000.

The 2014 Proposed Budget provides no funding for this program, which supports the inspection and rehabilitation of the Port's sewer system to ensure that it remains in compliance with state and federal regulations. Much of the work that was anticipated to be funded by this program was accomplished by the Department of Public Work when it did paving work on the public right-of-ways in the Port. However, the Port may be responsible for sewer work along some of its service drives.

Since 2000, this program has received \$200,000 in funding (\$50,000 in 2001 and \$150,000 in 2005). There is no carryover borrowing authority. The special fund for Sewer System Upgrades received \$30,000 in 2011 and 2012. The special fund received no funding in 2013, and \$50,000 is proposed for 2014.

Demolish/Rehabilitate Expired Leasehold Equipment, \$100,000.

The 2014 Proposed Budget provides no funding for this program, which funds work to make Port-owned properties more marketable to prospective tenants when the leases of existing

tenants expire. This program has received no capital funding. However, the Port is currently working with the Department of Neighborhood Services to remove 2 buildings.

The special fund for Leasehold Demolition received \$40,000 in 2011 and 2012 and \$10,000 in 2013. No funding is proposed for 2014. Actual expenditures from the special fund were \$2,223 and \$12,701 in 2010 and 2011, respectively. There were no expenditures in 2012.

3. Project Updates.

Liquid Cargo Pier.

This capital account provided supplemental funding for the liquid cargo pier project. A Harbor Assistance grant was received to rehabilitate the Liquid Cargo Pier. The total project cost is estimated to be \$1.5 million. The grant paid for 80% of the project. The City's 20% (\$300,000) came from the Port's Pier, Berth and Channel capital account. Additional damage to the pier was discovered, which was not an eligible expense under the terms of the grant. \$250,000 was budgeted in 2013 to fund the ineligible repairs.

The project's grant funding was awarded in 2007, but the project was deferred because the Port did not have a tenant. The terms of the grant require that the pier be kept in service for 20 years. Without a confirmed tenant, the City may be unable to satisfy the requirement, putting it at risk of having to repay the grant. The grant currently expires on December 31, 2013. The Port has been successful in receiving extensions in the past and believes that the date will be extended to December 31, 2014. The Port is negotiating with a potential tenant and is prepared to begin the project as soon as a lease is signed.

Confined Disposal Facility Expansion.

This program provides funding for the recovery of land by way of land fill. It sustains the continued restoration of confined disposal facilities into marketable waterfront development sites. Funding for this program has historically been titled "Acquire and Rehab KK River Site". In 2005, the title was changed to "Confined Disposal Facility Expansion".

Since 2005, this project has received \$400,000 in funding. \$75,000 of carryover borrowing authority remains. Funding in the program is intended to supplement the work done by the U.S. Army Corps of Engineers, whose work is nearing completion. The Port's expenditures will begin after the Corps' contract is complete. As of October 3, 2013, the federal sequester has not had an impact on this project.

4. Future Capital Requests.

The Port of Milwaukee has numerous out-year capital funding requests. These include improvements to the heavy dock lift in 2015, terminal resurfacing in 2015, rehabilitation of the electrical services on the South Harbor Tract in 2015, energy efficiency upgrades in 2016, the development of a transload terminal in 2017, dredging activities in 2018, and security improvements to the Ferry Terminal parking lot in 2019. Further information about these requests can be found as an attachment to Common Council File Number 121728.

5. Heavy-Lift Crane.

The purchase of a new heavy-lift crane has been in the City's capital plan since at least 2009. In 2014, the Port plans to purchase a crawler crane similar to its Manitowoc 4100. The crane will have a maximum lifting capacity of 230 tons and a 250-foot heavy-lift boom. The new crane will replace a Lima Crawler that was purchased in 1971 and has been out of service for over 5 years. The newly-purchased crane will be the main shore crane used for everyday cargo work.

The Port requested \$4 million as a place holder in its capital budget. However, the actual cost of the new crane has not been determined. The Port will develop specifications and anticipates that they will include an elevated boom foot and an elevated cab which will allow the operator to see directly into the hold of a ship. The Port estimates that it will take between 90 and 180 days for the vendor to assemble, deliver, test and certify the crane.

It is expected that the crane will be purchased using revenue bonds issued by RACM. The Port anticipates servicing the debt using a portion of its surplus revenues. In 2012, the Port transferred \$1.2 million in surplus revenues to the City's General Fund.

VIII. ISSUES TO CONSIDER.

1. The Municipal Port Director position has remained vacant since July, 2012. Funding for the second-in-command Port Operations and Trade Director position is eliminated under the 2014 Proposed Budget, increasing the sense of urgency for filling the Municipal Port Director vacancy.
2. It is anticipated that the Port's new heavy-lift crane will be purchased using revenue bonds issued by RACM. Using the Port's surplus revenues to service the debt will reduce the amount available for the annual transfer from the Port to the City's General Fund. However, the new crane will be replacing a crane that has been out of service for at least 5 years, effectively increasing the capacity of the Port and, thereby, potentially increasing revenues.
3. While the 2014 Proposed Budget increases operating funds for dockwall and breakwater rehabilitation from \$70,000 to \$100,000, no capital funding is provided for this activity, even though \$150,000 was requested (ranked 4 out of 16 projects) and no funding was provided in 2013. The Port maintains 36,303 linear feet of dockwall in 20 sections, some more than 90 years old.
4. The 2013 Budget provided \$250,000 in capital funding for improvements to the Port's liquid cargo pier, but this grant-supported project has been delayed and the pier is not being regularly used for the exporting or importing of fuels. Production of biofuels at the Port has not materialized as once anticipated.
5. The Port seeks to generate new revenues and to increase tonnage by expanding export and import container yard activity, yet no rail-based replacement for the Canadian Pacific Railway's intermodal service has been secured. On the other hand, discontinuation of the container service frees up prime waterfront dock space for other uses, presenting the Port with new tenant and revenue-generating possibilities.

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