

2025



Legislative Reference Bureau

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PORT MILWAUKEE



2025 Proposed Plan and Executive Budget Review

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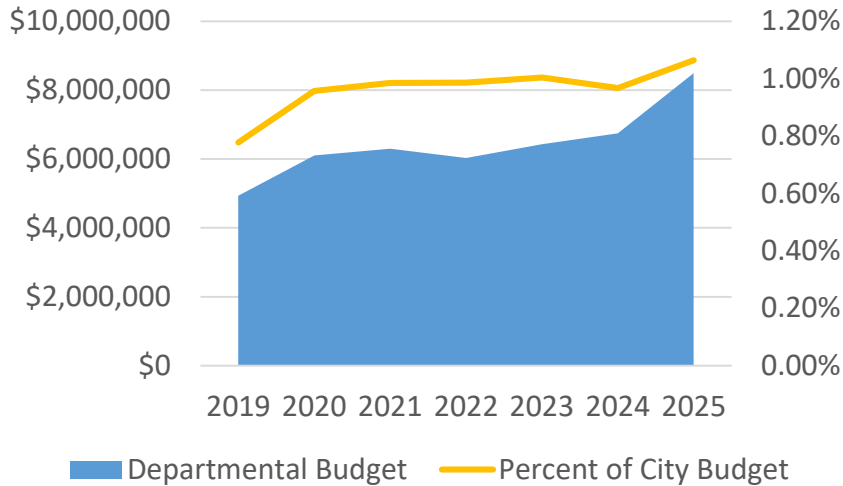
Budget Hearing: 9:00 am on Wednesday, October 16, 2024

\$8,492,168
Proposed 2025 Budget + ARPA

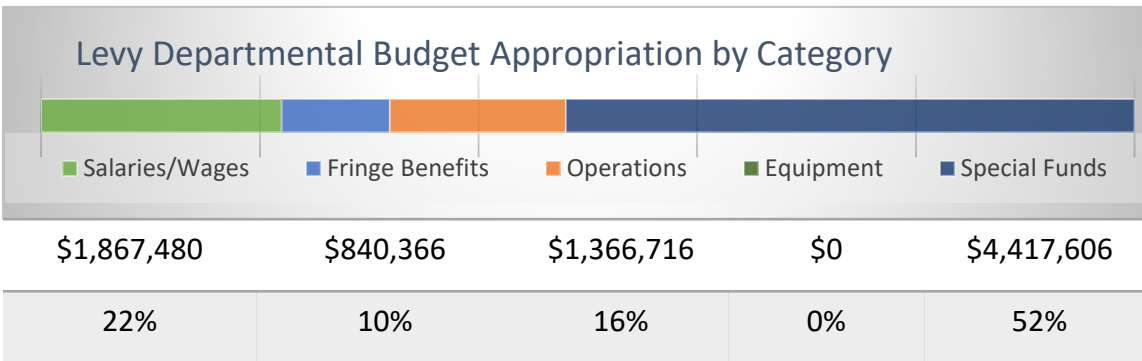
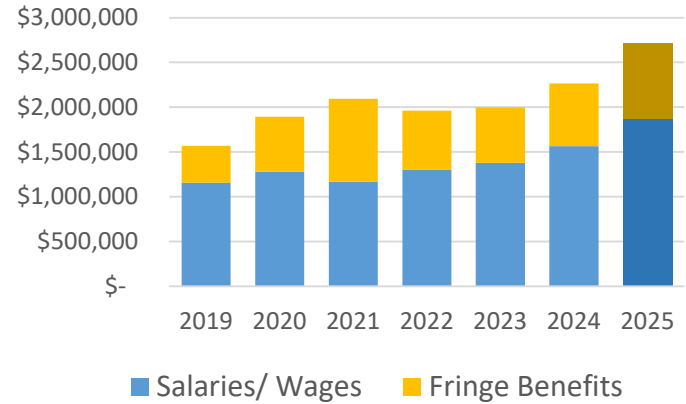
\$8,492,168
Proposed 2025 Budget

+\$1,758,886
Overall Change from 2024

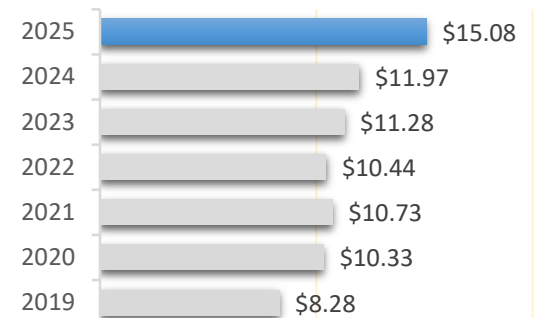
\$8,592,249
Requested 2025 Budget



Personnel Budget



Levy Budget per Capita



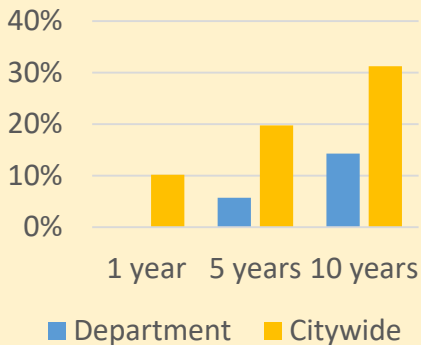
+19.4%

Change in Salaries and Wages
from 2024 Budget
(including ARPA funds in 2024)

+303,886

Change in Salaries and Wages
from 2024 Budget
(including ARPA funds in 2024)

Retirement Eligible



Staffing Vacancies

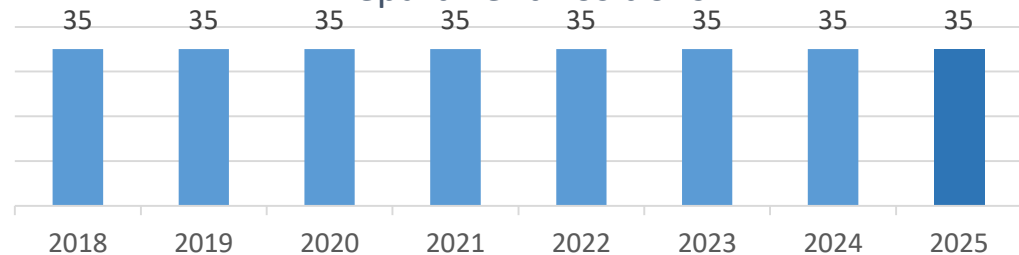
- One vacant position out of 35 authorized positions (2.9% vacancy rate).
- A Port Operations & Maintenance Technician 4 position (one of 10 positions with this title) has been vacant since August 4, 2023. The department is holding the vacancy open.

Staffing Update

- No change in number of positions.
- Port has not filled any of its auxiliary positions during 2024.
- Several positions had reclassification studies in 2024. These reclassifications are the primary driver behind the overall 19.4% increase in salaries for the department.

0 Change in Positions	0.0% % Change in Positions
1 Current Vacancies	0 Voluntary Separations In 2024

Department Positions



\$17 million

Estimated total cost of new South Shore Cruise Dock, including \$5 million City capital contribution for 2025.

+3.6%

Change in Port's total tonnage handled, 2022 to 2023.

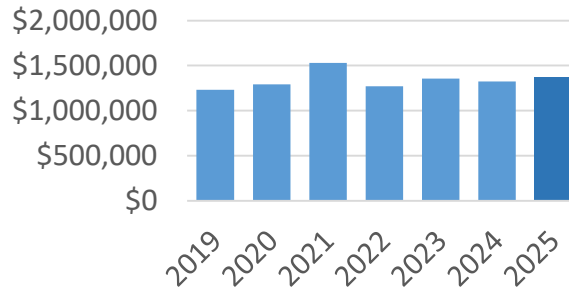
+\$2.76 million

Increase in capital funding for the Port, 2024 Adopted Budget to 2025 Proposed Budget.

10,298

Number of cruise ship passengers visiting Milwaukee so far in 2024, up 12% from the same time period last year.

Operating Expenditures Budget



Equipment Budget



Revenue

- Port's expenditures are budgeted to match its projected revenues.
- Major revenue sources for 2025:

Rental Income (facilities)	\$2,922,000
Milw. World Festivals Lease	\$3,055,500
Wharfage Charges	\$1,000,000
Dockage Charges	\$455,000
Water/Sewer charges	\$335,000
Port Thru-Put Charges	\$220,000

Total, All Categories \$8,492,168

Grants

- None identified at this time.

Capital Programs and Projects

Cruise Ship Terminal	\$5,000,000
Pier, Berth & Channel Improv.	\$500,000
Rail, Track & Service Upgrades	\$300,000
Port Utilities Upgrades	\$250,000
Terminal & Facility Maint.	\$200,000
Roadway Paving	\$100,000

Total \$6,350,000

Special Purpose Accounts

- Port Milwaukee administers no special purpose accounts.

\$504,188

Difference between Port revenues and expenditures for 2023, compared to a “surplus” of \$1,117,308 in 2022.

7.6%

Increase in Port revenue, 2023 to 2024 (through August of each year), due especially to increases in revenue from facility rent and wharfage charges.

\$1,362,117

Total Special Funds appropriation for 2025 (excluding MWF revenue transfer to General Fund), all of which is used for maintaining and improving Port facilities.

542

Total number of commercial vessels that used Port Milwaukee in 2023, an increase of 184 (+51.4%) from 2022.

Cargo Trends

- 2023 tonnage: 2.355 million metric tons (up 3.6% from 2022).
- 2024 tonnage (through August): 1.238 mill. metric tons (down 8.8% from comparable period in 2023),
- 2024 decrease is primary the result of substantial gains in the Cement and Other Dry Bulk categories.

Milwaukee World Festivals, Inc. Lease

For 2025, the City’s lease with Milwaukee World Festivals, Inc., will produce contractual revenues of \$3,055,489. This represents 36% of projected 2025 revenues for Port Milwaukee and is larger than typical because the lease provides for a much larger payment every 5th year.

Capital Improvement Project Highlights

- Cruise Ship Terminal (\$5 million) – remaining funding needed for construction of new South Shore Cruise Dock.
- Pier, Berth & Channel Improv. (\$500K) – funds ongoing maintenance projects.
- Rail Track & Service Upgrades (\$300K) – funds rail upgrades to achieve safety and service-load requirements.

Port Surplus Revenue Transferred to City General Fund

2016	\$722,000	2020	\$780,000
2017	\$835,000	2021	\$376,000
2018	\$488,000	2022	\$1,117,000
2019	\$742,000	2023	\$504,000

Revenue Trends

Through August, Port Milwaukee’s revenue trends in major categories were:

Revenue Category	2023 YTD	2024 YTD	Pct. Ch.
Facility Rent	\$1,392,851	\$1,563,180	+12.2
Wharfage	398,127	526,240	+32.2
Dockage	266,744	255,084	-4.4
Water Charges	156,646	195,246	+24.6

Cruise Ship Docking Locations 2024

Pier Wisconsin	6 ship visits
Heavy Lift Dock	11 ship visits
South Shore	2 ship visits

Cruise Ships

Port Milwaukee has had another busy year for cruise-ship traffic and passengers. As of September 15, 19 cruise ships had visited Milwaukee this year, bringing with them over 10,000 passengers. A total of 27 cruise-ship visits are expected by the end of the 2024 cruise season.

Based on current bookings, Port Milwaukee anticipates similar numbers for the 2025 cruise season. Currently, the 2025 schedule includes 21 ship visits with an estimated 9,500 passengers. Victory Cruise Lines, which is reestablishing its Great Lakes presence, will make at least 3 calls to Milwaukee next year.

Agricultural Maritime Export Facility (AMEF)

In June, 2023, Port Milwaukee and its partner, The DeLong Company, opened the new, \$40 million Agricultural Maritime Export Facility on Port property along South Carferry Drive. Funding for the facility came from a variety of sources, including state and federal grants, The DeLong Company's investment, and \$5.7 million from the City/Port (through the issuance of RACM revenue bonds). Related rail improvements on Jones Island were completed later last year.

The new facility is capable of handling and exporting agricultural commodities by truck, rail and marine vessel. DeLong uses the new terminal, which includes a receiving building with a pit for truck and rail access, a storage building and a ship loader, to ship animal feed, dried distilled grains with solubles and soy meal to Europe via the St. Lawrence Seaway. Through July of this year, 12 vessels were loaded with commodities at the AMEF.

Foreign Trade Zone

Port Milwaukee is the grantee and administrator of Foreign Trade Zone (FTZ) 41, which covers all of Wisconsin but focuses on the 12 counties of Southeastern Wisconsin. Participating businesses in an FTZ are able to import and re-export goods duty free, saving them millions of dollars. There are currently 9 approved "zones" (businesses) within FTZ 41, of which 5 are active, including Mercury Marine (Fond du Lac), Broan Nu-Tone (Hartford) and CNH Industrial Americas (Racine).

The 5 active FTZ operators have over 4,200 employees. The Port's 2023 revenues from the FTZ program were \$43,600; administrative costs totaled \$30,870.

South Shore Cruise Dock

The 2025 Proposed Budget includes \$5 million in capital funding for a new South Shore Cruise Dock. The current dock is not large enough to accommodate the largest cruise ships on the Great Lakes (those ships must currently use the Port's Heavy Lift Dock in the Inner Harbor).

Previously-committed funding for this project includes \$3.5 million from the State of Wisconsin's ARPA Tourism Capital Grant, a \$500,000 Wisconsin Harbor Assistance Program Grant, and \$2.0 million in capital funding in the 2023 Budget.

The new South Shore Cruise Dock will be able to accommodate Seaway-maximum-sized vessels. The project will also provide new utility services that can serve both the cruise ships and future development of the adjacent parcel. Contracts are expected to be let by the end of this year. Construction is anticipated to last all of 2025, with the new South Shore Cruise dock being ready to accommodate ships in the 2026 cruise season .