

2024



Legislative Reference Bureau

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PORT MILWAUKEE



2024 Proposed Plan and Executive Budget Review

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Budget Hearing: 9:00 am on Monday, October 9, 2023

\$6,743,282

Proposed 2024 Budget + ARPA

\$6,743,282

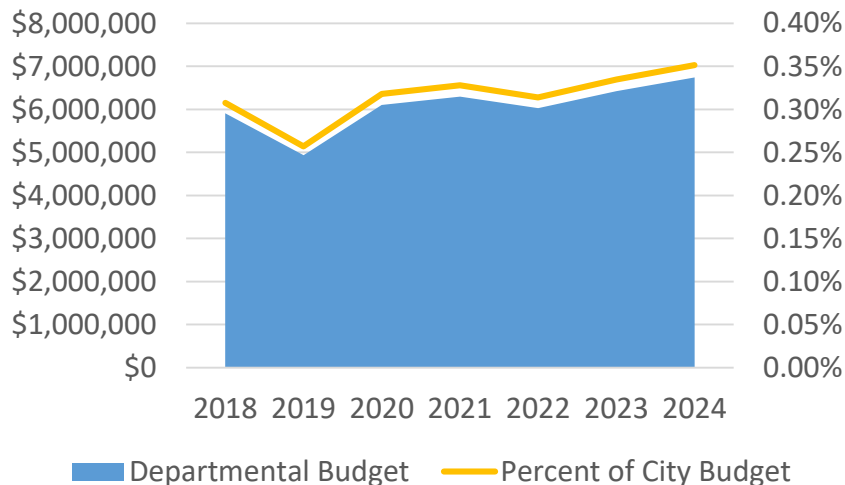
Proposed 2024 Budget (Levy)

\$319,682

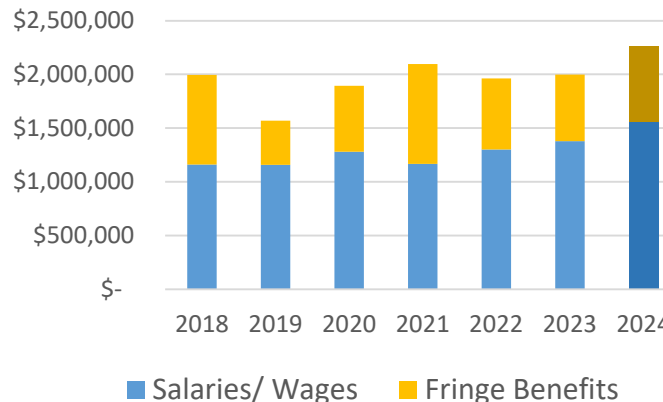
\$ Overall Change from 2023
(ARPA + Levy)

\$6,424,000

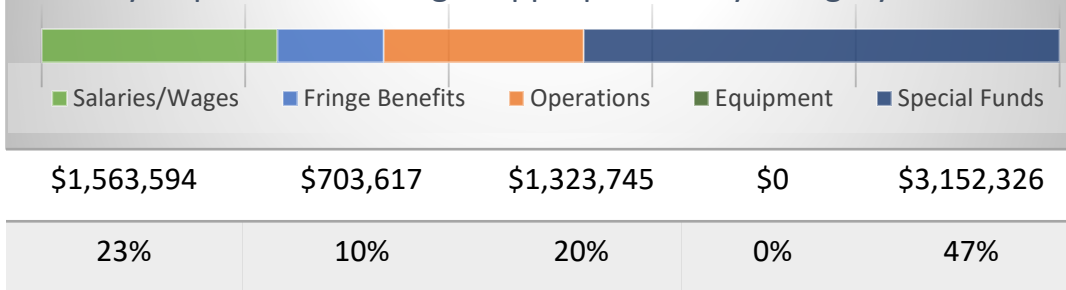
Requested 2024 Budget



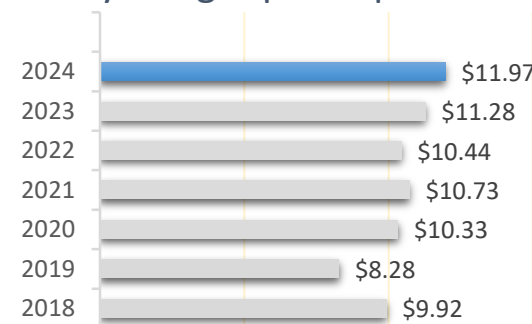
Personnel Budget



Levy Departmental Budget Appropriation by Category



Levy Budget per Capita



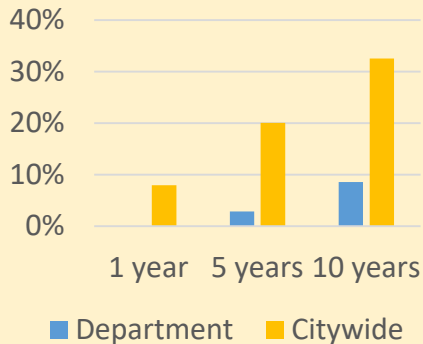
\$0

2024 Salaries and Wages funded with ARPA

\$185,562

Increase in Salaries and Wages, compared to 2023 (ARPA + Levy)

Retirement Eligible



Staffing Vacancies

The department has 3 vacancies:

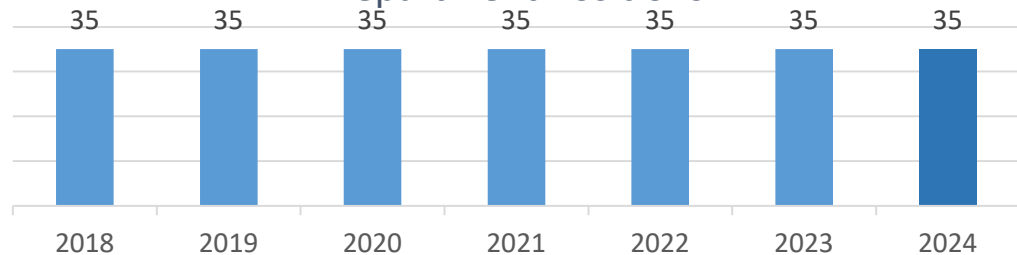
- Administrative Assistant III – vacant 4/7/22; recruitment open through 10/4/23.
- Port Operations & Maintenance Technician (2 positions) – vacant 4/15/23 and 8/4/23; positions reclassifications were completed Pay Period 18; Port is now working with DER to list the vacancies for external recruitment.

Staffing Update

- No change in positions.
- Port has not filled any of its auxiliary positions during 2023.

0 Change in Positions	0.0% % Change in Positions
3 Current Vacancies	2 Voluntary Separations

Department Positions



\$0

Total value of Purchasing Contracts greater than \$500,000.

-3.2%

Decrease in Port's total tonnage handled, 2021 to 2022.

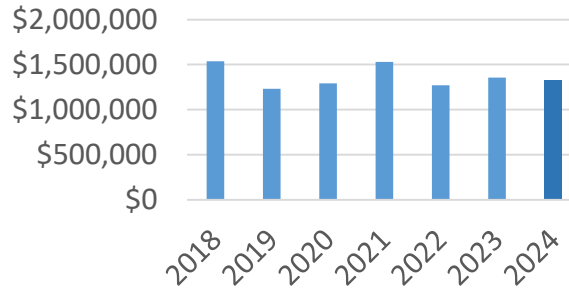
-\$50,000

Decrease in Infrastructure Services line item, bringing the funding level closer to actual 2022 expenditures.

30

Number of cruise ship visits to Port Milwaukee in 2023, down slightly from last year's 33 visits.

Operating Expenditures Budget



Equipment Budget



Revenue

- Port's expenditures are budgeted to match its projected revenues.
- Major revenue sources for 2024:

Rental income (facilities)	\$2,673,000
Milw. World Festivals lease	\$1,739,000
Wharfage charges	\$1,000,000
Dockage charges	\$350,000
Water/sewer charges	\$350,000

Special Purpose Accounts

- Port Milwaukee administers no special purpose accounts.

Grants

- None identified at this time.

Capital Programs and Projects

- Rail track/service upgrades \$1,000,000
 - Terminal & facility maint. \$1,000,000
 - Utility upgrades \$900,000
 - Pier, berth, channel improv. \$500,000
 - Roadway paving \$189,714
- | | |
|--------------|--------------------|
| TOTAL | \$3,589,714 |
|--------------|--------------------|

\$1,117,308

Difference between Port revenues and expenditures for 2022, compared to a “surplus” of \$518,194 in 2021.

5.1%

Increase in Port revenue, 2022 to 2023 (through August of each year), due especially to increases in revenue from dockage fees, equipment charges and crane rental.

\$1,413,207

Total Special Funds appropriation for 2024 (excluding MWF revenue transfer to General Fund), all of which is used for maintaining and improving Port facilities.

346

Total number of commercial vessels that used Port Milwaukee in 2022, a decrease of 54 (-13.5%) from 2021.

Cargo Trends

- 2022 tonnage: 2.273 million metric tons (down 3.2% from 2021).
- 2023 tonnage (through August): 1.357 mill. metric tons (up 16.7% from comparable period in 2022),
- 2023 increase is primary the result of substantial gains in the Salt and Other Dry Bulk categories.

Milwaukee World Festivals, Inc. Lease

For 2024, the City’s lease with Milwaukee World Festivals, Inc., will produce contractual revenues of \$1,739,119. This represents about 25.8% of total projected 2024 revenues for Port Milwaukee.

Capital Improvement Project Highlights

- Rail Track & Service Upgrades (\$1 million) – funds ongoing repair and replacement of Port’s rail tract to address safety and load requirements.
- Terminal & Facility Maintenance (\$1 million) – funds both routine and unplanned maintenance projects.
- Port Utilities Upgrades (\$900,000) – will fund the replacement of hydrants and water mains on Jones Island.

Port Surplus Revenue Transferred to City General Fund

2015	\$1,165,000	2019	\$742,000
2016	\$722,000	2020	\$780,000
2017	\$835,000	2021	\$376,000
2018	\$488,000	2022	\$1,117,000

Revenue Trends

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

Revenue Category	2022 YTD	2023 YTD	Pct. Ch.
Facility Rent	\$1,522,324	\$1,520,891	-0.1
Wharfage	408,062	414,734	1.6
Dockage	202,832	283,493	39.8
Water Charges	166,806	167,588	0.5

Cruise Ship Docking Locations 2023

Pier Wisconsin	24 ship visits
Heavy Lift Dock	9 ship visits
South Shore	7 ship visits

Cruise Ships – Port Milwaukee has had another busy year for cruise-ship traffic and passengers. As of September 15, 22 cruise ships had visited Milwaukee this year, bringing with them over 9,000 passengers. A total of 30 cruise-ship visits are expected by the end of the 2023 cruise season. Based on current bookings, Port Milwaukee anticipates similar or slightly higher numbers for the 2024 cruise season. Port Milwaukee has signed a 20-year agreement with Pearl Seas Cruises for priority berthing at the Pier Wisconsin Cruise Dock. Also, Viking Cruises has chosen to make Milwaukee the home port for its Great Lakes itineraries.

Agricultural Maritime Export Facility (AMEF) – In October, 2021, Port Milwaukee and The DeLong Company broke ground on an over \$40 million Agricultural Maritime Export Facility on Port property along South Carferry Drive. The building was completed in June, 2023; related rail construction will be completed by the end of the year. Funding for the facility is coming 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). The project is about \$9 million over budget, but the extra funding has been absorbed solely by DeLong. Initially, DeLong will export Dried Distiller’s Grains with Solubles (DDGs) from the AMEF, with the exporting of other local agricultural products planned for the long term. The new facility will be capable of handling and exporting agricultural commodities by truck, rail and marine vessel.

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 nearly 4,300 employees. The Port’s 2022 revenues from the FTZ program were \$47,100; administrative costs totaled \$37,100.

South Shore Cruise Dock – The Port is embarking on a project to enlarge, enhance and modernize the South Shore Cruise Dock, which is not currently 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). Funding sources include \$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. No additional City funding is provided in the 2024 Proposed Budget. Project design is currently being revised, but contracts are expected to be let by the end of this year. Construction is anticipated to last all of 2024, with the new South Shore Cruise dock being ready to accommodate ships in the 2025 cruise season .