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TO: Mark Schrupp, Executive Director
Detroit-Wayne County Port Authority

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: March 16, 2023

SUBJECT: 2023-2024 Budget Analysis

Attached is our budget analysis regarding the Detroit-Wayne County Port Authority budget for the 2023-2024 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 20, 2023, at 10:00 am**. We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your response to the Council Members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

Attachments

cc: Council Members
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy Chief Financial Officer
Steve Watson, Budget Director
Brad Dick, Group Executive/COO
Malik Washington, Mayor's Office
Anita Hoskins, Budget Analyst
James George, Agency OCFO

Detroit-Wayne County Port Authority

FY 2023-2024 Budget Analysis by the Legislative Policy Division

The Detroit/Wayne County Port Authority (the "Authority") was created by the Port Authority Act of 1978. The legislation enables the Authority to enter into contracts for the acquisition, improvement, enlargement, or extension of port facilities. The mission of the Authority is to plan, develop, and foster economic and recreational growth, through environmental stewardship, in promoting Detroit and southeast Michigan as an import and export freight transportation and distribution hub for the United States, Canada, and the world marketplace.¹

The City of Detroit is providing a \$250,000 general fund subsidy to the Detroit Wayne County Port Authority (DWCPA) from the Non-Departmental budget for FY 2024, per page B35-9.

Issues and Questions

- 1) Please indicate how the \$250,000 subsidy received from the City will affect the DWCPA's operation.
- 2) Please provide an update of the current progress of the DWCPA's Port Forward strategic plan.
- 3) Please provide a brief update on the DWCPA's solicitation of qualifications from interested engineering consultants and firms to provide Engineering services in support of rehabilitation and expansion projects at terminals operating in the Port of Detroit district.
- 4) How much of a subsidy will the DWCPA's receive from Wayne County for FY 2024? How much of a subsidy will the Detroit Port Authority receive from State of Michigan in FY 2024?
- 5) What is revenue from events and docking fees for as of February 28, 2023? What is the revenue budget for events and docking fees for FY 2024? Do you anticipate that event and dock rental revenues will continue to increase in FY 2024?
- 6) According to Visit Detroit, the Detroit/Wayne County Port Authority and Cruise the Great Lakes celebrated a record-breaking 2022 cruise ship season. How many ships do you estimate will dock at the Detroit Port Authority in FY 2024?
- 7) Please describe any new revenue generating activities or programs anticipated for FY 2024.
- 8) Please briefly describe the DWCPA's plan for marketing the Port to potential customers and investors for FY 2024.
- 9) What are your projected performance metrics for the current fiscal year? What are your target metrics for fiscal year 2024?
- 10) According to your 2022 annual report, you've received over \$16 million for investments in port infrastructure. Can you provide details of your infrastructure plan?
- 11) The DWCPA's was awarded \$200,000 to pay for solar panels and \$685,000 for an innovative hydrokinetic energy harvester that will generate electricity from the river. Can you provide details on when the DWCPA will begin these projects?
- 12) One of the DWCPA's strategic initiatives in 2022 was to improve its engagement with communities and increase awareness of it's mission and programs. The DWCPA's established three theme-days (Cruise Ships, Jobs in the Maritime Industry and Cargo Day) which provided information and experience to highlight the work of the DWCPA. Will the DWCPA continue this initiative in FY 2024?
- 13) The DWCPA did not receive approval for the Master Concession Agreement (MCA) Termination. It was requested that the DWCPA focus on developing a detailed plan of post MCA business and operations plans. Can you provide an update concerning the plan?
- 14) Please provide the DWCPA's operating and capital budgets for FY 2023 and FY 2024.

¹ Page 19 of the Detroit/Wayne County Port Authority annual financial statements as of September 30, 2021.

- 15) Please provide the DWCPA's budgeted positions for FY 2023 and FY 2024. Please provide how many positions are filled and the number of vacancies as of February 28, 2023. Please explain any difficulty of filling the vacant positions.
- 16) Please provide the DWCPA's annual financial statements as of September 30, 2022.

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 35 - NON-DEPARTMENTAL**

Department # - Department Name					
Fund # - Fund Name	FY2023	FY2024	FY2025	FY2026	FY2027
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
35 - Non-Departmental	289,160,585	166,382,027	168,751,160	172,278,894	174,151,018
1000 - General Fund	279,446,605	163,867,664	166,535,213	170,010,134	171,828,186
14001 - Non Dept Budget Reserve	30,719,808	-	-	-	-
352101 - Budget Reserve	30,719,808	-	-	-	-
20866 - Over-Assessment Program	2,000,000	-	-	-	-
351020 - Non-Departmental	2,000,000	-	-	-	-
25350 - Board of Police Commissioners	3,872,579	3,779,322	3,855,954	3,910,952	3,965,209
350002 - Board of Police Commissioners	3,872,579	3,779,322	3,855,954	3,910,952	3,965,209
26350 - Cultural Institutions Support	4,450,000	3,195,000	3,195,000	3,195,000	3,195,000
350093 - Detroit Historical Museum	1,000,000	500,000	500,000	500,000	500,000
350095 - Zoo Operations	570,000	570,000	570,000	570,000	570,000
350097 - Eastern Market Corporation	280,000	225,000	225,000	225,000	225,000
350290 - Charles H. Wright Museum of African American Histor	2,600,000	1,900,000	1,900,000	1,900,000	1,900,000
26351 - Blight Remediation Projects	10,520,000	11,000,000	11,000,000	11,000,000	11,000,000
350014 - Land Bank Operations	10,520,000	11,000,000	11,000,000	11,000,000	11,000,000
27350 - Project Clean Slate	-	1,552,713	1,583,949	1,604,547	1,625,157
350370 - Project Clean Slate Operations	-	1,552,713	1,583,949	1,604,547	1,625,157
27351 - Transportation Services Support	75,481,118	87,528,005	88,773,744	90,127,514	91,358,047
350040 - DTC Contribution for Operations	6,500,000	6,500,000	6,500,000	6,500,000	6,500,000
350080 - DDOT Contribution for Operations	65,800,000	74,368,185	75,356,929	76,696,634	77,911,099
350081 - DDOT Contribution for Legacy Debt	-	2,456,348	2,622,776	2,605,483	2,590,360
350090 - Airport Contribution for Operations	2,931,118	3,953,472	4,044,039	4,075,397	4,106,588
350140 - Detroit Port Authority	250,000	250,000	250,000	250,000	250,000