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

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 22, 2024

RE: 2024-2025 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2024-2025 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Monday, March 25, 2024, 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 responses 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.

DW:ml:ss

Attachments:
Issues and Questions

cc: Councilmembers
Auditor General's Office
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO Policy & Administration Director
Steve Watson, Budget Director
Brad Dick, Group Executive-COO
Anita Hoskins, Budget Analyst
James Williams, Agency CFO
Malik Washington, Mayor's Office

Detroit Wayne County Port Authority (DWCPA)

FY 2024-2025 Budget Analysis by the Legislative Policy Division

Mission

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.

The City of Detroit's \$400,000 general fund contribution to the Detroit Wayne County Port Authority (DWCPA) is in the Non-Departmental budget for FY 2025, the same as the current fiscal year 2024.

Issues and Questions

- 1) Please briefly explain the new expense initiatives the DWCPA is planning to implement in FY 2025.
- 2) Please briefly explain the new capital funding requests the DWCPA is planning to implement in FY 2025.
- 3) Please briefly explain the operational reform and savings proposals the DWCPA is planning to implement in FY 2025.
- 4) Please briefly explain the new revenue initiatives/proposals the DWCPA is planning to implement in FY 2025.
- 5) Please provide the number of budgeted positions for FY 2024 and FY 2025. Please indicate the number of vacancies the DWCPA had as of March 21, 2024.
 - a. Please briefly describe the difficulty of filling the vacancies.
 - b. Please briefly explain the DWCPA's strategy to fill the vacant positions or why the positions will remain vacant.
- 6) Please provide the DWCPA annual financial statements as of December 31, 2023.
- 7) Please provide the DWCPA operational budget for FY 2024 and FY 2025
- 8) Please review your projected performance metrics for fiscal year 2023 below. Were you able to achieve these metrics? If not, please explain why and what strategic plans and operational changes were made to help achieve these metrics in fiscal year 2024.
 - a. Implement the two 2022 Federal Earmark Grants received:
 - i. Install solar panels on the DWCPA Facility;
 - ii. Install a hydrokinetic energy harvester below our Cruise Ship Dock in the Detroit River.
 - b. Develop a Decarbonization Plan for the Port of Detroit.
 - c. Implement our \$16 million Port Infrastructure Development Grant.
 - d. Increase cruise ship dockings by 20%.
 - e. Conduct three Port Days events in the summer of 2023, including hosting a Job Fair for Maritime Work and outreach to DPSCD and Wayne County young people.
 - f. Apply for two significant Federal Grants – PIDP and Marine Highway.
 - g. Seek state funding for capital investment needed for a future port terminal.

- 9) What are your projected performance metrics for the current fiscal year? What are your target metrics for fiscal year 2025?
- 10) In fiscal year 2023, \$653 Million was awarded to 41 ports in 26 states under the Port Infrastructure Development Program (PIDP). DWCPA was not among these ports. Why did DWCPA miss this funding opportunity?
 - a. PIDP is scheduled to release another \$450 million in FY 2024. Will DWCPA apply for the grant? If so, how does the DWCPA plan to be more competitive in the FY 2024 bidding cycle?
- 11) The Detroit River saw three groundings in 2023. What was DWCPA involvement in these matters?
 - a. Did these groundings have negative effects on DWCPA operations?
 - b. Does DWCPA have protocols in place to resolve and prevent matters like this?
- 12) Please provide updates on the partnership with EcoShips.
 - a. Has revenue been generated since starting?
 - b. If not, when is DWCPA expected to see a return?

Non-Departmental (35)

The Non-Departmental agency records the salaries and benefits for the 11 elected officials of the City of Detroit: Mayor, City Clerk, and City Council members, in the **Elected Officials Compensation** cost center. General Fund contributions are made to enterprise agencies, cultural agencies, and other external agencies.

General Fund Contributions	FY 2025 Mayor Proposed
Coleman A. Young International Airport	\$4,039,608
Detroit Department of Transportation	\$78,168,185
Detroit Transportation Corporation (People Mover)	\$6,500,000
Charles H. Wright Museum of African American History	\$2,600,000
Detroit Historical Society	\$1,000,000
Detroit Zoological Society	\$1,200,000
Eastern Market	\$300,000
Detroit Wayne Port Authority	\$400,000
Detroit Land Bank Authority	\$11,000,000
Department of Public Works – Solid Waste Management	\$3,388,315

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

Department # - Department Name					
Fund # - Fund Name	FY2024	FY2025	FY2026	FY2027	FY2028
Appropriation # - Appropriation Name	Adopted	Mayor Proposed	Forecast	Forecast	Forecast
Cost Center # - Cost Center Name					
35 - Non-Departmental	173,178,252	205,279,062	189,989,576	196,704,033	200,921,442
1000 - General Fund	166,663,889	181,957,521	186,626,415	193,107,992	197,282,100
25350 - Board of Police Commissioners	3,779,322	4,558,541	3,739,176	3,804,187	3,870,446
350002 - Board of Police Commissioners	3,779,322	4,558,541	3,739,176	3,804,187	3,870,446
26350 - Cultural Institutions Support	4,470,000	5,100,000	5,100,000	5,100,000	5,100,000
350093 - Detroit Historical Museum	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
350095 - Zoo Operations	570,000	1,200,000	1,200,000	1,200,000	1,200,000
350097 - Eastern Market Corporation*	300,000	300,000	300,000	300,000	300,000
350290 - Charles H. Wright Museum of African American History*	2,600,000	2,600,000	2,600,000	2,600,000	2,600,000
26351 - Blight Remediation Projects	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
350014 - Land Bank Operations	11,000,000	11,000,000	11,000,000	11,000,000	11,000,000
26352 - Solid Waste Services Support	-	3,388,315	5,261,072	10,018,839	11,094,514
350079 - Solid Waste Contribution for Operations	-	3,388,315	5,261,072	10,018,839	11,094,514
27350 - Special Services	1,905,713	1,567,775	1,585,354	1,603,258	1,621,492
350370 - Project Clean Slate Operations	1,552,713	1,567,775	1,585,354	1,603,258	1,621,492
350371 - Immigration Task Force*	3,000	-	-	-	-
350372 - Reparations Task Force*	350,000	-	-	-	-
27351 - Transportation Services Support	87,678,005	90,471,203	92,153,949	93,085,082	94,026,430
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	74,368,185	78,168,185	79,856,469	80,764,337	81,682,996
350081 - DDoT Contribution for Legacy Debt	2,456,348	1,363,410	1,346,117	1,330,994	1,314,736
350090 - Airport Contribution for Operations	3,953,472	4,039,608	4,051,363	4,089,751	4,128,698
350140 - Detroit Port Authority*	400,000	400,000	400,000	400,000	400,000

*FY 2024 included one-time funding for these programs