

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600  
FUND: Enterprise - 0083

**Budget Summary**

Category	2013 Budget	2013 Actual	2014 Budget	2015 Budget	2015/2014 Variance
<b>Expenditures</b>					
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operation Costs	\$158,520,001	\$146,868,510	\$154,205,814	\$160,182,288	\$5,976,474
Debt & Depreciation	\$2,424,376	\$2,185,692	\$2,424,376	\$2,437,503	\$13,127
Capital Outlay	\$487,500	\$365,792	\$460,000	\$320,000	(\$140,000)
Interdept. Charges	\$2,478,091	\$2,645,696	\$2,416,284	\$2,434,954	\$18,670
<b>Total Expenditures</b>	<b>\$163,909,968</b>	<b>\$152,065,690</b>	<b>\$159,506,474</b>	<b>\$165,374,745</b>	<b>\$5,868,271</b>
<b>Revenues</b>					
Direct Revenue	\$50,131,508	\$48,992,026	\$49,865,902	\$49,534,651	(\$331,251)
Intergov Revenue	\$94,899,600	\$88,107,098	\$91,121,855	\$95,821,935	\$4,700,080
Indirect Revenue	\$0	\$0	\$0	\$0	\$0
<b>Total Revenues</b>	<b>\$145,031,108</b>	<b>\$137,099,124</b>	<b>\$140,987,757</b>	<b>\$145,356,586</b>	<b>\$4,368,829</b>
<b>Tax Levy</b>	<b>\$18,878,860</b>	<b>\$14,966,566</b>	<b>\$18,518,717</b>	<b>\$20,018,159</b>	<b>\$1,499,442</b>
<b>Personnel</b>					
<b>Full-Time Pos. (FTE)</b>	0	0	0	0	0
<b>Seas/Hourly/Pool Pos.</b>	0	0	0	0	0
<b>Overtime \$</b>	\$0	\$0	\$0	\$0	\$0

\* The Personnel table above represents Milwaukee County employees. Transit staff are currently employees of a private company, Milwaukee Transport Services (MTS), Inc., which operates the transit system under contract to Milwaukee County.

**Department Mission:** The Milwaukee County Transit System (MCTS) exists to provide reliable, convenient and safe public transportation services that efficiently and effectively meet the varied travel needs of the community and contribute to its quality of life.

**Department Description:** A private company, Milwaukee Transport Services, Inc. (MTS), continues to manage and operate the Milwaukee County Transit System (MCTS) under an extension of its contract through the end of 2014. However, in accordance with 2014 Budget Amendment 1A040, it is the policy of Milwaukee County to bring management and operation of transit in-house. Subsequent to the 2014 Budget Amendment 1A040, County Board Resolution File No. 14-312 directed Corporation Counsel and the Comptroller to examine alternatives to a fully insourced transit management model and to instead develop and submit for Federal Transit Administration (FTA) approval a “blended” transit management model. This blended model would in essence provide for continued transit management under a restructured relationship between the County and MTS as a not-for-profit private transit operator. A letter has been submitted to the FTA, and the County is currently awaiting a response. Administration will work with the County Board to devise a contingency plan if a timely response is not received from the FTA.

Per discussion with the Comptroller, the structure of this budget has been prepared assuming in 2015 the County will continue the financial purchasing of transit services in the same manner as prior years.

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**Strategic Program Area 1: Paratransit**

**Service Provision: Mandated**

**Strategic Outcome: Quality of Life**

<b>What We Do: Activity</b>			
<b>Activity*</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Van Trips per Hour	1.94	1.98	1.95
Ridership	544,357	569,400	555,500
Cost Per Ride	\$28.69	\$28.55	\$30.32

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2015/2014 Var</b>
<b>Expenditures</b>	\$18,958,132	\$15,709,686	\$16,338,384	\$17,073,810	\$735,426
<b>Revenues</b>	\$17,618,932	\$18,112,540	\$14,132,802	\$15,964,264	\$1,831,462
<b>Tax Levy</b>	\$1,339,200	(\$2,402,854)	\$2,205,582	\$1,109,546	(\$1,096,036)
<b>FTE Positions</b>	0	0	0	0	0

<b>Performance Measure</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Cost per Trip by Mode			
Van	\$31.25	\$31.44	\$32.98
Agency	\$14.13	\$14.36	\$15.32
Taxi	\$18.62	\$18.92	\$19.43

\* Van Trips per Hour represent productivity of contractors providing paratransit van services. Contractors are paid an hourly rate and retain passenger fares, which creates an incentive for increased productivity. Decreases in ride demand diminish opportunities to optimize efficiency of service schedules therein reducing productivity.

**Strategic Implementation:**

Paratransit operations include the provision of demand-responsive transportation and orientation to transportation services. These services provide a complement to the fixed-route services of MCTS and are available to those who are Americans with Disabilities Act (ADA) Paratransit-eligible. Paratransit will continue to maintain Milwaukee County border-to-border service.

Overall tax levy in this area is decreased \$1,096,036 and can be attributed to an increase in program revenues of \$1,831,462, partially offset by an increase in costs of \$735,426. The increase in expenditures is the result of contract increases for purchased transportation expense, partially offset by a slight decrease in the number of trips. The paratransit cash fare for 2015 remains \$3.50 per one-way trip, the same as 2014.

The trip subsidy paid by Managed Care Organizations (MCO) will increase<sup>1</sup>.

In 2015, MCTS will continue to coordinate with the Office for Persons with Disabilities and other County agencies to provide free rides on the fixed route system for eligible persons with disabilities through the New Freedom Initiative, with the goal of expanding mobility and reducing the need for paratransit service.

<sup>1</sup> The trip subsidy rises \$4.00 from \$12.55 to \$16.55 in 2015. The Paratransit Program Area of the Transit System has additional tax levy support due to a revenue reduction of \$331,398 resulting from amendment/veto actions during the budget process. This will be addressed via fund transfer in 2015.

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**Strategic Program Area 2: Fixed Route**

**Service Provision:** Discretionary

**Strategic Outcome:** Quality of Life

<b>What We Do: Activity</b>			
<b>Item</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Buses in Fleet	396	391	391
Buses Operated in Peak Hour	322	341	341
Annual Bus Miles	17,244,868	17,277,703	18,313,725
Annual Bus Hours	1,328,034	1,324,206	1,410,679
Revenue Passengers	36,451,283	38,550,000	37,600,00
Total Passengers	43,008,924	45,410,000	44,291,000
Cost per Mile	\$7.51	\$7.81	\$7.57
Cost per Revenue Passenger	\$3.55	\$3.50	\$3.69
Revenue per Revenue Psgr.	\$1.10	\$1.10	\$1.10

<b>How We Do It: Program Budget Summary</b>					
<b>Category</b>	<b>2013 Budget</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>	<b>2015/2014 Var</b>
<b>Expenditures</b>	\$144,951,836	\$136,536,004	\$143,168,090	\$148,300,935	\$5,132,845
<b>Revenues</b>	\$127,412,176	\$118,986,583	\$126,854,955	\$129,392,322	\$2,537,367
<b>Tax Levy</b>	\$17,539,660	\$17,369,421	\$16,313,135	\$18,908,613	\$2,595,478
<b>FTE Positions</b>		0	0	0	0

<b>Performance Measure**</b>	<b>2013 Actual</b>	<b>2014 Budget</b>	<b>2015 Budget</b>
Fare box Recovery Ratio	30.86%	31.41%	29.73%
Passengers per Bus Hour	32.38	34.29	31.40
Cost per Bus Hour	\$102.67	\$108.12	\$104.93
On-Time Performance		90%	90%

**\*\* Definitions:**

- Fare box recovery ratio represents the portion of total expenditures that are covered by fare revenues. Decreases in the fare box recovery ratio are a result of decreases in revenue coupled with increases in expenses.

- Passengers per bus hour (PBH) represent total passenger rides with respect to total annual bus hours of service. PBH is a common transit efficiency measure that decreases as ridership decreases or as bus hours are increased at a faster rate than ridership increases. The passenger component of this measure in previous budgets used revenue passengers; this measure now reflects total PBH, which more accurately depicts passenger demand and the supply of service needed to meet that demand.

- Cost per bus hour represents total transit expenditures with respect to total annual bus hours of service. Cost per bus hour decreases when annual bus hours increase at a faster rate than the increase in annual expenses; in 2015 there is administrative capacity for additional bus hours, hence a decrease in cost per bus hour. The cost component of this measure in previous budgets reflected costs that excluded Milwaukee County expenses and cross-charges; costs now used in this measure include total transit expenditures that reflect the fully loaded cost to Milwaukee County.

-On time performance represents the portion of buses that are on-time with respect to their scheduled locations. This is an indicator of service reliability in terms of schedule adherence. To be on time a bus cannot arrive more than 2 minutes early or 5 minutes late to a timepoint. A new methodology for measuring the statistic enabled by a software upgrade has been used since January 2014.

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### **Strategic Implementation:**

The 2015 Fixed-Route service levels are increasing by 1,036,022 miles (6 percent) and 86,473 hours (6.5 percent). This service increase includes the addition of two new Metro Express routes (27X and 10/30X) funded with Congestion Mitigation and Air Quality (CMAQ) funds, and other new service funded by the Zoo Interchange litigation agreement. Operations costs increase \$5,132,845 from \$143,168,090 to \$148,300,006 primarily due to the additional service being provided. Passenger fare revenues decrease \$2,117,000 from \$42,410,000 to \$40,293,000 based on current ridership trends and the addition of two special fare programs outlined later in the narrative. CMAQ funds in the amount of \$5.7 million per year from 2015 through 2017 are available to cover the costs of the two new Metro Express routes. Zoo Interchange litigation funds in the amount of \$2.6 million per year from 2015 through 2018 are available to provide new traffic mitigation service.

The Milwaukee County Department of Transportation (MCDOT) typically enters into various mitigation contracts with the Wisconsin Department of Transportation (WisDOT) each year. These contracts provide for increased transit services to lessen any negative impact to the traveling public of temporary routing detours, delays, etc. that are often a result of construction related activities. In 2015, MCDOT is authorized to enter into transit mitigation contracts, which are fully reimbursed by WisDOT, in an amount not to exceed \$500,000 and for administrative appropriation transfers to be processed to reflect each contract.

Funding of \$250,000 for a feasibility study to convert MCTS buses and facilities to Compressed Natural Gas (CNG) and other alternative, renewable fuel options is provided. CNG can potentially provide reduced fuel costs and fewer emissions.

The budget includes \$80,000 to construct a structured query language (SQL) server style database system that will provide MCDOT with real time access to MTS financial and statistical information. This project will improve fiscal monitoring capabilities and enhance County access to its transit data.

### **Special Fare Programs<sup>2</sup>**

Two new special fare programs will begin in 2015. The first program, the GO Pass, allows seniors and persons with disabilities to travel for free beginning April 1, 2015. Free senior fare programs have been successfully implemented in metropolitan areas similar and larger in size than Milwaukee, such as Pittsburgh and Houston. The second program, Summer Youth Jobs Fare, is a pilot project for 2015. MCTS will explore securing private funding to continue the Summer Youth Jobs Fare beyond 2015. In addition, the County will explore expanding the program to a larger population of employed, 14-21 years-old students during future summers.

#### *Growing Opportunities (GO Pass) Fare*

Persons 65 years of age or older or persons with disabilities that present a Milwaukee County Transit System photo I.D. or a valid Medicare card to bus operators are eligible for free fares. MCTS will evaluate the benefits and costs of distributing a unique ID for participants. MCTS will present its findings and recommendations to the Board of Supervisors during the January 2015 committee cycle. If MCTS, with the approval of the Board of Supervisors, decides to pursue the distribution of participant IDs, it will work with the Department on Aging and DAS- Office for Persons with Disabilities to determine the best method for issuing said IDs.

The Federal Transit Administration requires a Fare Equity Analysis prior to the implementation of this fare program. The Southeastern Wisconsin Regional Planning Commission (SEWRPC), with the assistance of MCTS, will complete the analysis to determine if there is potential for a disparate impact on minority populations or a disproportionate burden on low-income populations if free fares are offered to seniors and persons with disabilities. SEWRPC will present the study's findings to the Board of Supervisors during the December 2014 committee cycle.

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<sup>2</sup>Fares collected from fixed route transit services are budgeted as negative abatements not revenue within the County's budget. The fare abatements offset expenditures from operating the transit program. When fares decrease, the abatement amount decreases and less money can be used to offset expenditures, thus causing expenditures to increase.

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### *Summer Youth Jobs Fare*

Youth participants in the Milwaukee Area Workforce Investments Boards (MAWIB) Earn & Learn Summer Youth Employment program are eligible to receive discounted fares for eight weeks during their summer employment. MAWIB students who choose to participate will be offered two 31-day adult passes. The County will cover 50 percent of the cost, the student's employer will cover 25 percent, and students will pay the remaining 25 percent. Participating employers will be given the option to opt-in to the program. MCTS will work with MAWIB to implement the program.

### **Route Changes**

Services will be expanded to Brown Deer and Oak Creek with the extension and creation of Route 80 and Route 276, respectively. Service for these routes will begin before the end of March.

#### *Route 80 Extension*

Route 80 will be extended to provide service to the future Drexel Town Square and increase the frequency of Route 80's current trips from MATC's South Campus through the business park along S. 6<sup>th</sup> Street and then east along W. Drexel Avenue. The route's extension will travel south to provide service to Woodman's, Target, and Kohl's, in addition to other businesses and residences in the vicinity. The Route 80 extension will operate from 5 a.m. to 10 p.m. every day at a service frequency of 60 minutes.

#### *Route 276 Creation*

Route 276 is created and will provide service from the intersection of N. 60<sup>th</sup> Street and W. Brown Deer Road through industrial and office facilities northeast of that intersection, and then north on N. Green Bay Road to the businesses on W. Schroeder Drive. Route 276 will provide service 5 a.m. to 10 p.m. weekdays and 5 a.m. to 7 p.m. on weekends.

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PROPOSED FARE NAME	CURRENT FARE	PROPOSED FARE	COMMENT
<b>Cash Fares</b>			
Adult	\$2.25	\$2.25	No change from current fare
Premium	\$3.25	\$3.25	No change from current fare
Concession (Half-Fare)	\$1.10	\$1.10	No change from current fare
<b>Advance Purchase Fares</b>			
Adult Tickets	10/\$17.50	\$1.75	Value deduction smart card; replaces paper tickets
Premium Tickets	10/\$23.50	\$2.35	Value deduction smart card; replaces paper tickets
Concession (Half-Fare) Tickets	10/\$11.00	\$1.10	Value deduction smart card; replaces paper tickets
<b>Pass Fares</b>			
1-Day Adult Pass	New Product	\$4.00	Purchased in advance at ready fare outlet
1-Day Adult Pass	New Product	\$5.00	Loaded on existing smartcard at fare box
1-Day Premium Pass	New Product	\$6.00	Purchased in advance at ready fare outlet or loaded
1-Day Concession Pass	New Product	\$2.00	Purchased in advance at ready fare outlet
1-Day Concession Pass	New Product	\$3.00	Loaded on existing smartcard at fare box
3-Day Adult Pass	New Product	\$12.00	Purchased at ready fare outlet
3-Day Premium Pass	New Product	\$18.00	Purchased at ready fare outlet
3-Day Concession Pass	New Product	\$6.00	Purchased at ready fare outlet
3-Day Concession Premium Pass	New Product	\$9.00	Purchased at ready fare outlet
7-Day Adult Pass	\$17.50	\$17.50	Replaces paper calendar based pass. Purchased at ready fare outlet or on-line
7-Day Premium Pass	New Product	\$24.00	Purchased at ready fare outlet or on-line
7-Day Concession Pass	New Product	\$11.00	Purchased at ready fare outlet or on-line
31-Day Adult Pass	\$64.00	\$64.00	Replaces paper calendar based pass. Purchased at ready fare outlet or on-line
31-Day Premium Pass	New Product	\$85.00	Purchased at ready fare outlet or on-line
31-Day Concession Pass	New Product	\$32.00	Purchased at ready fare outlet or on-line
<b>Other Special Fares</b>			
Student Pass	\$16.50	\$16.50	Valid weekdays, available to schools only
U-PASS	\$45.00	\$45.00	Per semester
Commuter Value Pass	\$201.00	\$201.00	Per quarter
New Freedom Pass	Free	Free	Free to eligible paratransit clients
Go Pass	New Product	Free	Free to persons 65 years of age or older or persons with disabilities that present a Milwaukee County Transit System photo I.D. or valid Medicare card
Transfer	Free	Free	When paying cash, transfer encoded on passenger's smartcard
Paratransit Fare	\$3.50	\$3.50	Per one way trip