

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 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| Expenditures | | | | | |
| Personnel Costs | \$0 | \$0 | \$0 | \$0 | \$0 |
| Operation Costs | \$158,520,001 | \$146,868,510 | \$154,205,814 | \$159,522,288 | \$5,316,474 |
| 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 | \$2,477,486 | \$61,202 |
| Total Expenditures | \$163,909,968 | \$152,065,690 | \$159,506,474 | \$164,757,277 | \$5,250,803 |
| Revenues | | | | | |
| Direct Revenue | \$50,131,508 | \$48,992,026 | \$49,865,902 | \$50,788,049 | \$922,147 |
| Intergov Revenue | \$94,899,600 | \$88,107,098 | \$91,121,855 | \$95,821,935 | \$4,700,080 |
| Indirect Revenue | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Revenues | \$145,031,108 | \$137,099,124 | \$140,987,757 | \$146,609,984 | \$5,622,227 |
| Tax Levy | \$18,878,860 | \$14,966,566 | \$18,518,717 | \$18,147,293 | (\$371,424) |
| Personnel | | | | | |
| Full-Time Pos. (FTE) | 0 | 0 | 0 | 0 | 0 |
| Seas/Hourly/Pool Pos. | 0 | 0 | 0 | 0 | 0 |
| Overtime \$ | \$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

| What We Do: Activity | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Activity* | 2013 Actual | 2014 Budget | 2015 Budget |
| 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 |

| How We Do It: Program Budget Summary | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|
| Category | 2013 Budget | 2013 Actual | 2014 Budget | 2015 Budget | 2015/2014 Var |
| Expenditures | \$18,958,132 | \$15,709,686 | \$16,338,384 | \$17,088,271 | \$749,887 |
| Revenues | \$17,618,932 | \$18,112,540 | \$14,132,802 | \$16,295,662 | \$2,162,860 |
| Tax Levy | \$1,339,200 | (\$2,402,854) | \$2,205,582 | \$792,609 | (\$1,412,973) |
| FTE Positions | 0 | 0 | 0 | 0 | 0 |

| Performance Measure | 2013 Actual | 2014 Budget | 2015 Budget |
|----------------------------|--------------------|--------------------|--------------------|
| 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 \$1,412,973 and can be attributed to an increase in program revenues of \$2,162,860, partially offset by an increase in costs of \$749,887. 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 \$4.00 to \$16.55 which will recover more of the actual cost of providing this service. The cost per ride in 2013 was \$31.25 for van service and \$18.62 for taxi service. Estimated trips decrease 13,900 from 569,400 to 555,500 due to human services agencies utilizing alternate transportation services. The increase in revenue is primarily the result of the increase in subsidies paid by MCO's.

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.

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Strategic Program Area 2: Fixed Route

Service Provision: Discretionary

Strategic Outcome: Quality of Life

| What We Do: Activity | | | |
|-----------------------------|--------------------|--------------------|--------------------|
| Item | 2013 Actual | 2014 Budget | 2015 Budget |
| 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 | 37,600,000 |
| 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 |

| How We Do It: Program Budget Summary | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|----------------------|
| Category | 2013 Budget | 2013 Actual | 2014 Budget | 2015 Budget | 2015/2014 Var |
| Expenditures | \$144,951,836 | \$136,536,004 | \$143,168,090 | \$147,669,006 | \$4,500,916 |
| Revenues | \$127,412,176 | \$118,986,583 | \$126,854,955 | \$130,314,322 | \$3,459,367 |
| Tax Levy | \$17,539,660 | \$17,369,421 | \$16,313,135 | \$17,354,684 | \$1,041,549 |
| FTE Positions | | 0 | 0 | 0 | 0 |

| Performance Measure** | 2013 Actual | 2014 Budget | 2015 Budget |
|------------------------------|--------------------|--------------------|--------------------|
| 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 \$4,500,916 from \$143,168,090 to \$147,669,006 primarily due to the additional service being provided. Passenger fare revenues decrease \$1,195,000 from \$42,410,000 to \$41,215,000 based on current ridership trends. 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) 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.

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| PROPOSED FARE NAME | CURRENT FARE | PROPOSED FARE | COMMENT |
|--------------------------------|--------------|---------------|---|
| Cash Fares | | | |
| 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 |
| Advance Purchase Fares | | | |
| 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 |
| Pass Fares | | | |
| 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 |
| | | | |
| Other Special Fares | | | |
| 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 |
| Transfer | Free | Free | When paying cash, transfer encoded on passenger's smartcard |
| | | | |
| Paratransit Fare | \$3.50 | \$3.50 | Per one way trip |