

B U D G E T S U M M A R Y

Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Variance
Expenditures					
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operation Costs	\$145,011,202	\$149,812,087	\$153,857,157	\$153,298,389	(\$558,768)
Debt & Depreciation	\$2,211,563	\$3,019,719	\$3,187,051	\$3,328,997	\$141,946
Capital Outlay	\$337,002	\$705,554	\$150,000	\$156,250	\$6,250
Interdept. Charges	\$2,224,498	\$2,563,541	\$3,307,915	\$2,714,165	(\$593,750)
Total Expenditures	\$149,784,265	\$156,100,901	\$160,502,123	\$159,497,801	(\$1,004,322)
Revenues					
Direct Revenue	\$43,045,780	\$39,292,655	\$40,813,624	\$41,951,915	\$1,138,291
Intergov Revenue	\$87,850,512	\$94,167,792	\$94,220,023	\$90,715,007	(\$3,505,016)
Indirect Revenue	\$0	\$0	\$9,000	\$9,000	\$0
Local VRF Revenues	\$0	\$0	\$11,497,964	\$26,821,879	\$15,323,915
Total Revenues	\$130,896,292	\$133,460,447	\$146,540,611	159,497,801	\$12,957,190
Tax Levy	\$18,887,973	\$22,640,453	\$13,961,512	\$0	(\$13,961,512)
Effective Tax Levy	\$16,663,475	\$20,076,912	\$10,653,597	(\$2,714,165)	(\$13,367,762)
Personnel **					
Full-Time Pos. (FTE)	0.00	0.00	0.00	0.00	0.00
Seas/Hourly/Pool Pos.	0.00	0.00	0.00	0.00	0.00
Overtime \$	\$0	\$0	\$0	\$0	\$0

*The Effective Tax Levy excludes interdepartmental charges and fringe benefit costs.

**The Personnel table above represents Milwaukee County employees. Transit staff are employees of Milwaukee Transport Services (MTS), Inc., a quasi-governmental instrumentality of Milwaukee County and therefore not reflected.

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: The Director’s Office of the Milwaukee County Department of Transportation (MCDOT) provides County oversight of MCTS as well as conducts various transit related studies and prepares and administers Federal and State transit grants. Division personnel also facilitate the acquisition of capital equipment and provide the Architecture & Engineering Division (A&E) of the Department of Administration Services (DAS) with capital improvement recommendations for MCTS facilities. Milwaukee Transport Services, Inc. (MTS), as a quasi-governmental instrumentality of Milwaukee County, manages and operates the Milwaukee County Transit System, including paratransit services. MTS uses transit facilities and equipment owned and provided by Milwaukee County.

Major Changes in FY 2018: In 2018 MCTS will continue to operate similar levels of transit services as in 2017. Changes to fares are recorded in the fare table on page 8 and in strategic program areas: Paratransit and Fixed Route. The 2017 adopted budget included revenue allocated from a \$30 County Vehicle Registration Fee (VRF). The 2018

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recommended budget reflects VRF funding from a \$60 County VRF for the Transit operating budget totaling \$26,821,879 for 2018. The Transit operating budget no longer requires any property tax levy support.

Route Redesign Study

MCTS passengers per bus hour is lower than the national average. In 2018, MCTS will examine a multi-year route redesign intended to increase the proportion of frequent services from 40% to 60% through a reallocation of bus hours from low performing routes to corridors where there is greater demand for transit.

Fare Increases

In order to partially offset long-term revenue losses resulting from reduced ridership, MCTS will implement an increase in passenger fares estimated to produce \$1,159,703 in fare revenue annually improving the financial sustainability of the transit system.

Strategic Program Area 1: Paratransit

Strategic Outcome: Mandated

Strategic Outcome: Quality of Life

What We Do: Activity Data				
Activity	2015 Actual	2016 Actual	2017 Target	2018 Target
Van Trips per Hour	1.93	1.90	1.93	1.90
Van Ridership	421,924	433,986	424,033	438,325
Agency Ridership	20,954	19,056	21,000	18,500
Taxi Ridership	80,528	77,947	82,944	82,944
Total Ridership	523,406	530,989	527,977	539,769
Individualized Travel Training	36	65	50	60

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Var
Expenditures	\$15,675,884	\$15,991,865	\$16,274,032	\$17,119,007	\$844,975
Revenues	\$14,682,089	\$14,550,039	\$14,719,655	\$14,661,256	(\$58,399)
Tax Levy	\$993,795	\$1,441,826	\$1,554,377	\$2,457,751	\$903,374
FTE Positions	0.00	0.00	0.00	0.00	0.00

How Well We Do It: Performance Measures				
Performance Measure	2015 National Average¹	2016 Actual	2017 Target	2018 Target
Van Service On-Time Performance	n/a	94.2%	95%	95%
Van Cost per Ride (<i>provider</i>)	\$33.55	\$27.45	\$28.21	\$28.97
Agency Cost per Ride (<i>provider</i>)	n/a	\$10.21	\$10.40	\$10.06
Taxi Cost per Ride (<i>provider</i>)	\$25.82	\$12.19	\$12.25	\$11.75
Total Cost per Ride (<i>incl. admin.</i>)	n/a	\$29.69	\$30.29	\$31.22

Strategic Overview: MCTS contracts with paratransit van service companies to provide demand responsive transportation services nearly 24-hours each day, 7-days per week, year-round as a complement to the fixed-route services. Paratransit rides are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible. Paratransit is provided border-to-border in Milwaukee County. There are over 19,000 registered Transit Plus program participants.

Strategic Implementation: In 2018, ridership is projected to increase 2% based on 2016 actuals. Increases in paratransit costs of about \$845,000 are consistent with this ridership increase and reflect scheduled increases built into the existing contracts with paratransit service providers. Paratransit van cost per ride target and taxi cost per ride target are lower than national averages.

The tax levy support included in Paratransit is fully offset by revenue in Fixed Route Service.

¹ NTD (National Transit Database) – 2015 National Transit Summary and Trends, Office of Budget and Policy, October 2016

Grant Opportunities

MCTS will seek Federal Transit Administration (FTA) Section 5310 program grant funds to provide paratransit passenger amenities similar to technologies available to fixed route passengers. If grant funding is obtained:

- MCTS will replace paper tickets for paratransit rides with an account-based electronic ticketing system.
- Paratransit van riders will be alerted to estimated pick-up time by a real-time outreach and call system.

MCTS will also seek funding under Section 5310 to continue mobility management activities that help orient older adults and persons with disabilities to fixed route transit. Mobility management activities include individual and group travel training, community outreach and education, mobility device training, bus operator ADA sensitivity and passenger assistance training.

Fare Increases

Since 2009, MCTS has offered free local transit bus rides through the New Freedom bus pass program to persons who are eligible for paratransit, but who also have the ability, depending upon conditions, to ride regular fixed-route services. In 2018, MCTS will change the free fare to a \$1 per day fare to be consistent with the GO Pass program fare. In addition, the paratransit cash fare is increased from \$3.50 to \$4.00 per one-way trip in 2018, as shown on the fare table on page 6. As such, the trip subsidy paid by Managed Care Organizations (MCOs) will also increase from \$20.05 to \$20.55 (subsidy of \$16.55 plus the \$4.00 per one-way trip fare).

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Strategic Program Area 2: Fixed Route

Strategic Provision: **Mandated**

Strategic Outcome: **Quality of Life**

What We Do: Activity				
Activity	2015 Actual	2016 Actual	2017 Target	2018 Target
Buses in Fleet	412	401	405	405
Buses Operated in Peak Hour	343	337	337	337
Annual Bus Miles	18,437,783	18,579,209	18,483,527	18,769,305
Annual Miles per Bus	44,752	46,332	45,638	46,344
Annual Bus Hours	1,396,012	1,407,841	1,398,929	1,406,181
Total Passengers	34,473,760	34,308,917	33,065,000	33,065,000
Passenger Revenue	\$34,892,296	\$31,710,797	\$33,339,363	\$34,157,848
Revenue per Passenger	\$1.01	\$0.92	\$1.01	\$1.03

How We Do It: Program Budget Summary					
Category	2015 Actual	2016 Actual	2017 Budget	2018 Budget	2018/2017 Variance
Expenditures	\$134,108,381	\$140,109,035	\$144,229,091	\$142,378,794	(\$1,849,297)
Revenues	\$116,214,204	\$118,910,408	\$120,322,992	\$118,014,666	(\$2,308,326)
Local Vehicle Registration Fee Revenues	\$0	\$0	\$11,497,964	\$26,821,879	\$15,323,915
Tax Levy	\$17,894,178	\$21,198,627	\$12,407,135	(\$2,457,751)	(\$14,864,886)
FTE Positions	0.00	0.00	0.00	0.00	0.00

How Well We Do It: Performance Measures				
Performance Measure	2015 National Average ²	2016 Actual	2017 Target	2018 Target
Farebox Recovery Ratio*	25.7%	23.7%	24.5%	25.3%
Passengers per Bus Hour	32.4	24.4	23.6	23.5
Cost per Bus Hour – MCTS	\$130.83	\$94.37	\$97.25	\$96.05
Cost per Passenger – MCTS	\$4.04	\$3.87	\$4.11	\$4.08
Psng. Trips per Capita**	26.3	35.9	34.6	34.6

Definitions: * Farebox Recovery Ratio is calculated as the ratio of total expenses covered by total passenger fares

** Passenger trips per capita is calculated by dividing annual passenger trips by the population of Milwaukee County (service area)

² NTD (National Transit Database) – 2015 National Transit Summary and Trends, Office of Budget and Policy, October 2016

Strategic Overview:*Types of Fixed Route Services Offered*

MCTS operates one of the largest urban public transportation systems in the United States. MCTS operations include several different types of transit services:

- Local fixed route bus services
- Shuttles focused on business or industrial parks
- School-day based services to MPS and suburban School Districts
- University Bus (UBUS) services to the University of Wisconsin – Milwaukee and Milwaukee Area Technical College (MATC)
- Freeway Flyer services from park-ride lots into Downtown Milwaukee
- Summer services to festivals, baseball games, and state fair.

Strategic Implementation: An increase in VRF revenues in 2018 (reflecting an increase to \$60 from \$30) over 2017 (reflecting a partial year of VRF collections), replaces property tax levy contributions Metro Express routes (Gold and Purple) will continue to be partly funded with Congestion Mitigation and Air Quality (CMAQ) revenues. MCTS will continue both routes, but CMAQ funding in 2018 will decrease from \$4 million to \$2.4 million. A new CMAQ grant will continue to provide \$2.4 million in funding annually in 2019 and 2020.

Performance Overview:*Benchmarking to National Standards*

- MCTS farebox recovery ratio target (25.3%) is similar to the national average (25.7%). Fare increases in 2017 and again in 2018 are helping to reverse a downward trend that began a decade ago, but has accelerated since 2014.
- MCTS passengers per bus hour target (23.5) is lower than the national average (32.4). MCTS will examine a multi-year route redesign intended to increase the proportion of frequent services from 40% to 60% through a reallocation of bus hours from low performing routes to corridors where there is greater demand for transit.
- MCTS cost per bus hour target (\$96.05) is significantly lower than the national average (\$130.83), and has been holding relatively steady due in part to administrative reductions and efficiencies in operations.
- MCTS cost per passenger target (\$4.08) is consistent with the national average (\$4.04).
- MCTS passenger trips per capita target (34.6) is substantially higher than the national average (26.3) for urbanized areas larger than 1 million.

Cost Controls

Each year Transit faces inflation, rising healthcare costs, increases in the cost of bus parts, fluctuations in fuel pricing, variable pension charges based on market performance, and increases in wages as specified in Collective Bargaining Agreements. Despite the increases, Federal and State transit funding has remained relatively flat to declining, which puts additional pressure on local funding sources such as passenger fares, Vehicle Registration Fee (VRF) revenues, and tax levy. To aid in efforts towards future sustainability, MCTS needs to also seek out administrative and operational changes that can lower costs today and/or generate future efficiencies.

To prevent future operating cost increases from overwhelming limited sources of local funding, MCTS will finalize research into consolidation of garage/station facilities from three to two and begin the consolidation process in 2018, if feasible. MCTS will seek to close its smallest location (Fiebrantz garage/station) and shift staff and equipment to the Fond du Lac and Kinnickinnic garage/station locations. In part, this change is dependent upon infrastructure improvements at Fond du Lac and Kinnickinnic garages/stations that are requested in the 2018 Capital Improvements Budget needed to bring the facilities to capacity for added staff and equipment.

Service Changes

Fixed-route service levels change less than 1% from 2017 levels. MCTS continues to seek to connect riders to employment opportunities in Milwaukee County:

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- The Purple Line (27th Street) will be extended south mid-year to provide daily service to a new IKEA store scheduled to open near Drexel Avenue in June 2018. IKEA plans to hire 250 employees and attract 1 million visitors annually.
- Route 17 (Canal Street) service hours will be expanded to cover more shift change times of employers in Menomonee Valley.

Routes 6 and 61 will be discontinued in December 2018 when the Zoo Interchange litigation settlement funds that support operations of these routes are exhausted. These routes primarily serve destinations outside of the County and operate at 11 passengers per bus hour (PBH), and 10.1 PBH respectively, which is much lower than the 2018 PBH target of 23.5

Fare Increases

Adult fares paid with an M-Card increase from \$1.75 to \$2.00. Similarly, UPASS charges increase from \$45 to \$50 per semester (beginning in Fall 2018). M-Card Lite disposable smart card fares for eligible social service agencies/non-profits increase from \$2.00 to \$2.25 for a single-ride ticket, and \$4.00 to \$4.25 for a two-ride ticket. See amended fare table on page 6. These fare increases will produce an estimated \$1,159,703 in revenue, partially offsetting revenue losses from reduced ridership.

Finally, in accordance with Wisconsin Statute 59.52(31), and in accordance with Milwaukee County Ordinance 56.06, the Department of Transportation Director is authorized to apply for and accept mass transit operating and capital grants in accordance with the adopted budget. The Department will provide public notice for all applicable grants at the Transportation, Public Works and Transit Committee.

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FARE TABLE

FARE NAME	CURRENT FARE	PROPOSED FARE	COMMENT
Cash Fares			
Adult	\$2.25	\$2.25	No change
Premium	\$3.50	\$3.50	No change
Concession (Half-Fare)	\$1.10	\$1.10	No change
M-Card/Stored Value Fares			
Adult Single Ride	\$1.75	\$2.00	\$0.25 increase
Premium Single Ride	\$2.50	\$2.50	No change
Concession (Half-Fare)	\$1.10	\$1.10	No change
Pass Fares			
1-Day Adult Pass	\$4.00	\$4.00	No change; purchased at ready fare outlet
1-Day Adult Pass	\$5.00	\$5.00	No change; loaded on existing smartcard at farebox
1-Day Premium Pass	\$6.00	\$6.00	No change; purchased at ready fare outlet
1-Day Concession Pass	\$2.00	\$2.00	No change; purchased at ready fare outlet
1-Day Concession Pass	\$3.00	\$3.00	No change; loaded on existing smartcard at farebox
3-Day Adult Pass	\$12.00	\$12.00	No change
3-Day Premium Pass	\$18.00	\$18.00	No change
3-Day Concession Pass	\$6.00	\$6.00	No change
3-Day Concession Premium Pass	\$9.00	\$9.00	No change
7-Day Adult Pass	\$19.50	\$19.50	No change
7-Day Premium Pass	\$27.00	\$27.00	No change
7-Day Concession Pass	\$11.00	\$11.00	No change
31-Day Adult Pass	\$72.00	\$72.00	No change
31-Day Premium Pass	\$96.00	\$96.00	No change
31-Day Concession Pass	\$32.00	\$32.00	No change
Other Special Fares			
Student 5-Day Pass	\$16.50	\$16.50	Valid weekdays, only for schools; No change
U-PASS Semester Pass	\$45.00	\$50.00	\$5 increase per semester;
Commuter Value Pass	\$220.00	\$220.00	No change; per three months (quarter)
New Freedom Pass	Free	\$1.00/day	\$1 / day for eligible paratransit clients
Transfer	Free	Free	Encoded on rider's M-Card; No change
M-Card Lite: One 90 minute pass	\$2.00	\$2.25	\$0.25 increase; Fare form for eligible social service agencies/non-profits
M-Card Lite: Two 90 min. passes	\$4.00	\$4.25	\$0.25 increase; Fare form for eligible social service agencies/non-profits
Mobile App Fares	\$2.00 for 2 hours	\$2.00 for 2 hours	No change; new fares under development will be consistent with pass fares
Paratransit Fare	\$3.50	\$4.00	\$0.50 increase per one-way trip;
GO Pass	\$1.00/day	\$1.00/day	No change