

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

Budget Summary

Category	2016 Actual	2017 Actual	2018 Budget	2019 Budget	2019/2018 Variance
Expenditures					
Personnel Costs	\$0	\$0	(\$882,586)	\$0	\$882,586
Operation Costs	\$149,812,088	\$145,049,532	\$153,298,389	\$150,242,107	(\$3,056,282)
Debt & Depreciation	\$3,019,720	\$3,275,776	\$3,328,997	\$3,328,997	\$0
Capital Outlay	\$705,553	\$587,085	\$156,250	\$145,000	(\$11,250)
Interdept. Charges	\$2,563,541	\$2,753,248	\$2,714,165	\$2,653,653	(\$60,512)
Total Expenditures	\$156,100,902	\$151,665,641	\$158,615,215	\$156,369,757	(\$2,245,458)
Revenues					
Direct Revenue	\$39,292,655	\$39,589,161	\$41,951,915	\$41,371,905	(\$580,010)
Intergov Revenue	\$94,167,792	\$89,484,441	\$92,065,007	\$89,853,693	(\$2,211,314)
Indirect Revenue	\$0	\$0	\$9,000	\$0	(\$9,000)
Local VRF Revenues	\$0	\$12,228,524	\$14,659,727	\$15,731,243	\$1,071,516
Total Revenues	\$133,460,447	\$141,302,126	\$148,685,649	\$146,956,841	(\$1,728,808)
Tax Levy	\$22,640,455	\$10,363,515	\$9,929,566	\$9,412,916	(\$516,650)
Effective Tax Levy	\$27,209,142	\$7,610,267	\$7,224,401	\$6,759,263	(\$456,138)
Personnel **					
Full-Time Pos. (FTE)	0.0	0.0	0.0	0.0	0.0
Seas/Hourly/Pool Pos.	0.0	0.0	0.0	0.0	0.0
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 2019: In 2019, MCTS will continue to operate similar levels of transit services as in 2018. Service adjustments and eliminations, as well as increases to special fares, are included in 2019. The decreases in Direct and Intergovernmental Revenue shown above reflect a declining trend in Passenger Revenue (\$613,571) and the end of the Zoo Litigation funding (\$2.2 million). Specific changes are identified under the strategic program areas.

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Milwaukee County Transit System (MCTS) will initiate the transition of its vehicle fleet to battery electric buses (BEBs) and away from fossil fuels to lessen exposure to volatile diesel fuel prices, achieve savings over the total lifecycle of the new vehicles, provide clean air and quieter operational benefits to the citizens and neighborhoods in which the County operates our transit fleet and the wider community.

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Strategic Program Area 1: Paratransit

Strategic Provision: Mandated
Strategic Outcome: Quality of Life

What We Do: Activity Data				
Activity	2016 Actual	2017 Actual	2018 Target	2019 Target
Van Trips per Hour	1.90	1.90	1.90	1.90
Van Ridership	433,986	430,893	438,325	435,202
Agency Ridership	19,056	16,199	18,500	14,800
Taxi Ridership	77,947	79,319	82,944	78,526
Total Ridership	530,989	526,411	539,769	528,528
Individualized Travel Training	65	73	60	70

How We Do It: Program Budget Summary					
Category	2016 Actual	2017 Actual	2018 Budget	2019 Budget	2019/2018 Var
Expenditures	\$15,991,865	\$16,003,057	\$17,119,007	\$17,196,604	\$77,597
Revenues	\$14,550,039	\$14,487,765	\$14,661,256	\$14,745,729	\$84,473
Tax Levy	\$1,441,826	\$1,515,292	\$2,457,751	\$2,450,875	(\$6,876)
FTEs	0.00	0.00	0.00	0.00	0.00

How Well We Do It: Performance Measures					
Performance Measure	2016 National Average ¹	2016 Actual	2017 Actual	2018 Target	2019 Target
Van Service On-Time Performance	n/a	94.2%	92.8%	95%	94%
Van Cost per Ride (<i>provider</i>)	\$43.79	\$27.45	\$27.45	\$28.21	\$29.65
Agency Cost per Ride (<i>provider</i>)	n/a	\$10.21	\$10.21	\$10.40	\$10.23
Taxi Cost per Ride (<i>provider</i>)	\$28.71	\$12.19	\$12.19	\$12.25	\$12.61
Total Cost per Ride (<i>incl. admin.</i>)	n/a	\$29.69	\$29.92	\$31.22	\$31.99

Strategic Overview: The MCTS demand responsive paratransit transportation program is branded as Transit Plus. Paratransit rides are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible. MCTS contracts with paratransit service companies to provide their services border-to-border in Milwaukee County nearly 24-hours a day, 365 days a year. There are over 13,000 registered Transit Plus participants.

Strategic Implementation: Paratransit van and taxi cost per ride continue to be lower than national averages. Ridership is not expected to increase to the degree predicted in 2018; therefore, 2019 ridership is projected to be about 2% lower than the previous year's budgeted amount leaving total costs relatively flat despite cost increases scheduled into service provider contracts. As usual, MCTS will seek funding under Section 5310 to continue mobility management activities such as fixed route travel training, community outreach and education, mobility device training, and bus operator ADA sensitivity and passenger assistance training.

¹ NTD (National Transit Database) – 2016 National Transit Summary and Trends, Office of Budget and Policy, October 2017

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Strategic Program Area 2: Fixed Route

Strategic Provision: Mandated
Strategic Outcome: Quality of Life

What We Do: Activity				
Activity	2016 Actual	2017 Actual	2018 Target	2019 Target
Buses in Fleet	401	408	405	385
Buses in Peak Hour	337	332	337	325
Bus Miles	18,579,209	18,219,946	18,483,527	17,831,553
Miles / Bus	46,332	44,657	45,638	46,316
Bus Hours	1,407,841	1,387,359	1,398,930	1,358,279
Passengers	34,308,917	31,546,737	33,065,000	28,973,473
Passenger Revenue	\$31,710,797	\$32,014,138	\$34,157,848	\$32,784,588
Revenue per Passenger	\$0.92	\$1.01	\$1.03	\$1.13

How We Do It: Program Budget Summary					
Category	2016 Actual	2017 Actual	2018 Budget	2019 Budget	2019/2018 Variance
Expenditures	\$140,109,037	\$135,661,283	\$141,496,208	\$139,139,592	(\$2,356,616)
Revenue	\$118,910,408	\$114,585,837	\$119,364,666	\$116,446,308	(\$2,918,358)
VRF Revenue	\$0	\$12,228,524	\$14,659,727	\$15,731,243	\$1,071,516
Tax Levy	\$21,198,629	\$8,846,923	\$7,471,815	\$6,962,041	(\$509,774)
FTE's	0.0	0.0	0.0	0.0	0.00

How Well We Do It: Performance Measures					
Performance Measure	2016 National Average ²	2016 Actual	2017 Actual	2018 Target	2019 Target
Farebox Recovery Ratio*	23.9%	22.6%	23.6%	24.1%	23.7%
Passengers per Bus Hour	29.9	24.4	22.7	23.6	21.3
Cost per Bus Hour	\$135.99	\$99.52	\$97.78	\$101.15	\$101.86
Cost per Passenger	\$4.43	\$4.08	\$4.30	\$4.28	\$4.78
Psngr. Trips per Capita**	24.2	35.9	33.0	34.6	30.5

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)

Strategic Overview: Fixed route operations include: local and express buses; shuttles focused on business and industrial parks; school-day bus trips to MPS and suburban school districts; University Bus (UBUS) services to the University of Wisconsin - Milwaukee, and Milwaukee Area Technical College; freeway flyer services from park-ride lots into Downtown Milwaukee; and summer services to festivals, baseball games, and state fair.

² NTD (National Transit Database) – 2016 National Transit Summary and Trends, Office of Budget and Policy, October 2017

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Strategic Implementation: MCTS passengers per bus hour is trending lower than the national average indicating that transit services could be more efficient. There are two initiatives that are important to building transit ridership, revenue and overall efficiency: development of a route redesign plan, and implementation of bus rapid transit.

Battery-Electric Buses (BEBs)

In order to embark on a long-term transition of the fleet to BEBs, the Department of Transportation and MCTS will undertake necessary facilities planning related to needed repair and maintenance needs, utility rate-structure, and related charging infrastructure.

The department shall expeditiously undertake a procurement process for the initial purchase of up to 15 BEBs, extended pricing for future year purchases, charging and infrastructure needs, and may also seek bids for diesel-hybrid buses as a transitional technology. The procurement shall accommodate the planned initial BRT bus purchase of 11 BEB's as well as at least four additional BEBs for general use including potential service on the Green, Red or Purple Lines based on route and operational planning undertaken prior to delivery, which can be expected by 2021 depending on the speed of the procurement and supplier schedule.

Route Redesign Plan (project branded as "MCTS NEXT")

MCTS is preparing a redesign of fixed route services to increase the proportion of higher frequency routes by reallocating buses from low performing areas. Under MCTS NEXT, Transit will provide faster service with more connections and increased accessibility. By increasing service in busy corridors, MCTS can help get more people to their destinations faster and easier, which will strengthen the transit system's ability to contribute to economic competitiveness and quality of life in the County. Before the plan is implemented, it will be presented to the Milwaukee County Board of Supervisors for approval. For more information, see <https://www.ridemcts.com/programs/mcts-next>

Bus Rapid Transit (BRT)

BRT also focuses on faster, more frequent transit service that is easier to use in a high passenger-demand transit corridor. About \$31 million is included in the 2019 Capital Budget to cover the remaining balance of BRT costs until most of those costs can be reimbursed by a Federal grant, which is anticipated to be awarded in Mid-2019. Upon grant award, MCTS will update the Milwaukee County Board of Supervisors on the status of BRT, and begin to build stations and procure equipment. If funding is provided early enough in 2019, it is possible that BRT could be operational in late 2020. For more information, see <http://www.eastwestbrt.com/>.

MCTS NEXT and BRT are important to current and future transit riders. These multi-year projects create opportunities that are rare. At the same time, fiscal realities require careful attention to every detail of these projects. Each year MCTS faces inflation, rising healthcare costs, increases in the cost of bus parts, fluctuations in fuel pricing, significant pension obligations, and increases in wages as specified in Collective Bargaining Agreements. Despite these fiscal pressures, Federal and State transit funding has remained relatively flat for most of the last decade, which puts additional pressure on local funding sources such as passenger fares, tax levy, and Vehicle Registration Fee (VRF) revenues. In addition to prioritizing MCTS NEXT and BRT, there is also a keen focus on maintaining transit services year-to-year, and preserving affordability of fares. As such, Transit will continue to seek administrative and operational changes that lower costs while minimizing impacts on passengers.

Administration Changes

In preparing the 2019 Transit budget, planned travel expenses were reduced, and planned transit advertising expenses were also decreased. Three (3) existing positions that provide administrative functions will be eliminated, and an additional five (5) administrative positions that were planned to be added will not be filled. The 2019 transit budget also includes an increase of \$1 million in Federal funds over 2018; the availability of this one-time revenue resulted from less funds being drawn down in 2017 than originally planned.

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Operational Changes

Despite significant administrative changes and cost savings, the budget also includes modifications of transit services with low ridership and higher than average costs per passenger. Fixed-route service levels will decrease by less than 3% from 2018 levels:

- With careful analysis to minimize impact to riders, a few low-demand routes will be modified or eliminated in the coming year. Freeway Flyer Routes (43, 44, 46, 48 and 49) will see adjustments starting in March 2019 to service only park-ride lots and areas of the routes where the vast majority of ridership is concentrated. In addition, Route 40 has not served the Ryan Road Park-Ride Lot since reconstruction of the Ryan Road interchange began in 2017. Route 40 service will continue to be limited to the College Avenue Park-Ride Lot in 2019.
- Additionally, students getting to school safely and as easily and practicably as possible is unquestionably a priority for County leaders. MCTS provides a variety of transit alternatives to schools. For example, analysis by MCTS planners shows schools currently served by special MCTS routes are also largely served by fixed-route buses that stop either directly at the school or within a quarter-mile (only one has a stop that is greater than a half-mile from the school). Meanwhile these special routes carry fewer riders than the local fixed route service options. Due to these factors, the morning and afternoon buses on school days that follow routes 50 (Morgan Ave - Milwaukee and St. Francis), 85 (Wauwatosa Whitman – West), 87 (West Allis Nathan Hale), 88 (Cudahy), and 89 (St. Francis) will be eliminated. The services will end in the fall of 2019 so families have enough time to plan.
- Moving forward, the County Executive and MCTS will work with the County Board to ensure that the transit system meets the needs of current and future bus riders. It will also be critical to seek a sustainable funding source for Milwaukee County transit.
- In December 2018 non-tax levy funding for Routes 6 and 61 was depleted and those routes are eliminated for 2019. As proposed by Milwaukee County Transit System (MCTS) officials in File No. 18-641, Routes 57 and 22 will be modified in 2019 to cover the service area of Route 61. An additional appropriation of \$661,939 is provided to allow the 57 Route to continue to provide service into Waukesha County to help connect people to jobs as a designated JobLines route. Funding is sufficient to provide the inter-county portion of the modified routes through August 2019.

It is the policy of Milwaukee County to seek additional State funding to allow the transit service between Waukesha and Milwaukee Counties to continue after August 2019. The State paid more than \$13 million to help settle a lawsuit that, among other things, alleged the Zoo Interchange Expansion Project discriminated against communities of color by not including public transit improvements. Governmental Affairs staff will communicate to State policymakers the need for non-tax levy funding to continue inter-county transit service to connect workers with jobs. In addition, Government Affairs staff shall discuss with Waukesha County officials opportunities to share in the cost of providing this transit service. Government Affairs staff shall also engage groups supportive of the JobLines including, but not limited to, the Black Health Coalition of Wisconsin (BHCW) and the Milwaukee Inner-City Congregations Allied for Hope (MICAH), in the effort to secure funding to continue the service. Governmental Affairs staff shall also communicate with groups such as the Regional Transit Leadership Council that are dedicated to advancing regional transit through public-private partnership.

The Director of Transportation, working in conjunction with the Managing Director of MCTS and Governmental Affairs staff, will provide a report to the County Board no later than the July 2019 meeting cycle on efforts to secure a non-tax levy source of funds to continue the service into Waukesha County after August 2019.

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Fare Increases-Special Fares

Special fares are available under specific eligibility criteria and include a discount from regular fares. The changes below will be effective January 1, 2019. The new fares continue to offer a discount from fares available to the public:

- Student 5-Day Pass purchased by Milwaukee Public Schools (MPS) for students using MCTS on weekdays increases from \$16.50 to \$17.50. In 2018, the standard weekly pass cost was increased by \$2; however, no increase was passed onto MPS at that time.
- New Freedom bus pass, only available to persons who are paratransit eligible but have the ability (depending upon conditions) to ride regular fixed-route, is proposed to increase from \$1 to \$2 per day.

The GO Pass is increased from \$1 to \$2 per day. Even at \$2 per day, both the New Freedom bus pass and the GO Pass provide a significant discount on riding MCTS for our seniors and residents with disabilities. Some riders who do not qualify for the GO Pass are still eligible for the MCTS Reduced Fare Program, which also helps make riding the bus more affordable.

Performance Overview:

MCTS operates one of the largest urban public transportation systems in the United States. MCTS performance is consistent with national averages. MCTS's cost performance is substantially better than average.

Benchmarking to National Standards (based on 2016 data)

- MCTS farebox recovery ratio target (23.7%) is consistent with the national average (23.9%).
- MCTS passengers per bus hour target (21.3) is lower than the national average (29.9). Service changes that modify the least productive routes in the system will help to keep MCTS consistent with the national average.
- MCTS cost per bus hour target (\$101.86) is significantly lower than the national average (\$135.99), and has been holding steady due in part to on-going administrative reductions and efficiencies in operations.
- MCTS cost per passenger target (\$4.78) for 2019 is consistent with the national average (\$4.43) from 2016.
- MCTS passenger trips per capita (30.5) is higher than average (24.19) for urbanized areas of 1+ million.

National Rankings and Acknowledgements

- MCTS ranks 12th nationally in its ability to get transit users to jobs according to a study released this year (2018) by the University of Minnesota, titled, "Access Across America: Transit 2017".
- MCTS Management was praised in a Transit System Management Performance Review Report prepared for the Wisconsin Department of Transportation by SRF Consulting Group that was released in early 2018.
"MCTS is a well-managed, forward focused system with conscientious employees that has experienced the effects of unstable funding on its ability to implement long-term plans, and would benefit from some operational improvements to provide high-quality, reliable, transit service."
- The report prepared for the Wisconsin Department of Transportation by SRF Consulting Group that was released in early 2018 also commented on funding.
"MCTS is an efficient transit system with dedicated employees that is hampered by inadequate capital and operations funding."
- MCTS's dedicated employees receive hundreds of commendations every year, each of which is acknowledged by Management in a formal letter of recognition to the employee. In addition, MCTS celebrates good deeds of employees that are making a difference in our community when acts of kindness are captured by onboard video cameras. By producing newsworthy high definition video clips and sharing them in press releases and via social media, MCTS is showing Milwaukee in a positive light for the world to see. For more information go to <https://www.ridemcts.com/excellence>.

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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	\$2.00	\$2.00	No change
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	\$17.50	\$1 increase; valid weekdays (only for schools)
U-PASS Semester Pass	\$50.00	\$50.00	No change
Commuter Value Pass	\$220.00	\$220.00	No change; per three months (quarter)
New Freedom Pass	\$1.00/day	\$2.00/day	\$1 increase for eligible paratransit clients
Transfer	Free	Free	Encoded on rider's M-Card; No change
M-Card Lite: One 90-minute pass	\$2.25	\$2.25	No change; Fare form for eligible social service agencies/non-profits
M-Card Lite: Two 90-minute passes	\$4.25	\$4.25	No change; 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	\$4.00	\$4.00	No change (per one-way trip)
GO Pass	\$1.00/day	\$2.00/day	\$1 increase for eligible GO Pass clients