

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

Budget Summary

Category	2017 Actual	2018 Actual	2019 Budget	2020 Budget	2020/2019 Variance
Expenditures					
Personnel Costs	\$0	\$0	\$0	\$0	\$0
Operation Costs	\$145,049,532	\$150,829,539	\$150,242,107	\$153,234,531	\$2,992,424
Debt & Depreciation	\$3,275,776	\$3,787,932	\$3,328,997	\$3,492,953	\$163,956
Capital Outlay	\$587,085	\$581,919	\$145,000	\$390,000	\$245,000
Interdept. Charges	\$2,753,248	\$2,161,776	\$2,653,653	\$2,831,386	\$177,733
Total Expenditures	\$151,665,641	\$157,361,167	\$156,369,757	\$159,948,870	\$3,579,113
Revenues					
Direct Revenue	\$39,589,161	\$40,819,617	\$41,371,905	\$38,688,480	(\$2,683,425)
Intergov Revenue	\$89,484,441	\$92,121,939	\$89,853,693	\$92,940,694	3,087,001
Indirect Revenue	\$0	\$0	\$0	\$0	0
Local VRF Revenues	\$12,228,524	\$15,822,183	\$15,731,243	\$16,101,243	\$370,000
Total Revenues	\$141,302,126	\$148,763,739	\$146,956,841	\$147,730,417	\$773,576
Tax Levy	\$10,363,515	\$8,597,428	\$9,412,916	\$12,218,453	\$2,805,537
Effective Tax Levy*	\$7,610,267	\$6,435,652	\$6,759,263	\$9,387,067	\$2,627,804

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

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), is a quasi-governmental instrumentality of Milwaukee County that is recognized as an element of Milwaukee County by the Federal Transit Administration (FTA). All transit employees work for MTS, which is responsible for managing the transit system comprised of facilities and equipment owned and provided by Milwaukee County.

Major Changes in FY 2020: The 2020 Budget includes a significant increase in Milwaukee County support of Transit to counter declining passenger revenue and State funding that remains lower today than it was a decade ago. Tax levy increases by \$2.2 million. Vehicle Revenue Fee (VRF) revenues available to Transit increase by \$370,000. The State increased funding for Transit by \$1.2 million in 2020, which is the first State increase in five years. Despite more State and local support, changes that reduce the scope of fixed route transit service lines are still necessary to balance the budget. There are no changes to the paratransit program.

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

Strategic Program Area 1: Paratransit

Strategic Provision: Mandated

Strategic Outcome: Quality of Life

What We Do: Activity Data				
Activity	2017 Actual	2018 Actual	2019 Target	2020 Target
Van Trips per Hour	1.90	1.85	1.90	1.89
Van Ridership	430,893	440,374	436,926	431,567
Agency Ridership	16,199	14,524	14,800	13,100
Taxi Ridership	79,319	73,043	78,526	69,391
Total Ridership	526,411	527,941	530,252	514,058
Individualized Travel Training	73	78	70	80

How We Do It: Program Budget Summary					
Category	2017 Actual	2018 Actual	2019 Budget	2020 Budget	2020/2019 Var
Expenditures	\$16,004,358	\$16,602,155	\$17,196,604	\$17,127,297	(\$69,307)
Revenues	\$14,487,765	\$14,629,533	\$14,745,729	\$14,577,617	(\$168,112)
Tax Levy	\$1,516,593	\$1,972,621	\$2,450,875	\$2,549,680	\$98,805

How Well We Do It: Performance Measures					
Performance Measure	2017 National Average ¹	2017 Actual	2018 Actual	2019 Target	2020 Target
Van Service On-Time Performance	n/a	92.8%	92.5%	94%	95%
Van Cost per Ride (<i>provider</i>)	\$37.69	\$27.45	\$28.44	\$29.65	\$30.06
Agency Cost per Ride (<i>provider</i>)	n/a	\$10.21	\$10.02	\$10.66	\$11.83
Taxi Cost per Ride (<i>provider</i>)	\$28.25	\$12.19	\$11.98	\$12.61	\$12.70
Total Cost per Ride (<i>incl. admin.</i>)	n/a	\$29.92	\$31.03	\$32.01	\$32.78

Strategic Overview: Transit Plus is Milwaukee County’s paratransit program. Under the Transit Plus program, rides are available to those who are Americans with Disabilities Act (ADA) paratransit eligible. MCTS contracts with paratransit service companies to provide rides to persons with disabilities border-to-border in the County. There are over 8,400 registered Transit Plus participants in the MCTS paratransit program.

Strategic Implementation: Paratransit van and taxi costs per ride continue to be lower than national averages. Ridership is not expected to increase to the degree predicted in 2019; therefore, 2020 ridership is projected to be about 3% lower than the previous year’s budgeted amount leaving total costs flat despite cost increases scheduled into service provider contracts. Notably, MCTS has secured funding via a two-year FTA grant under Section 5310 to continue

¹ NTD (National Transit Database) – 2017 National Transit Summary and Trends, Office of Budget and Policy, October 2018

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600

FUND: Enterprise - 0083

mobility management activities in 2020 such as fixed route travel training, community outreach and education, mobility device training, and bus operator ADA sensitivity and passenger assistance training.

Strategic Program Area 2: Fixed Route

Strategic Provision: Mandated

Strategic Outcome: Quality of Life

What We Do: Activity				
Activity	2017 Actual	2018 Actual	2019 Target	2020 Target
Buses in Fleet	408	409	385	348
Buses in Peak Hour	332	334	325	290
Bus Miles	18,219,946	18,306,995	18,000,198	17,583,166
Miles / Bus	44,657	44,760	46,754	50,526
Bus Hours	1,387,359	1,394,808	1,371,275	1,339,778
Passengers	31,546,737	29,071,243	28,973,473	27,721,853
Passenger Revenue	\$32,014,138	\$32,417,553	\$32,818,149	\$30,771,257
Revenue per Passenger	\$1.01	\$1.12	\$1.13	\$1.11

How We Do It: Program Budget Summary					
Category	2017 Actual	2018 Actual	2019 Budget	2020 Budget	2020/2019 Variance
Expenditures	\$135,661,283	\$140,759,012	\$139,173,153	\$142,821,573	\$3,648,420
Revenue	\$114,585,837	\$118,312,023	\$116,479,869	\$117,051,557	\$571,688
VRF Revenue	\$12,228,524	\$15,822,183	\$15,731,243	\$16,101,243	\$370,000
Tax Levy	\$8,846,922	\$6,624,806	\$6,962,041	\$9,668,773	\$2,706,732

How Well We Do It: Performance Measures					
Performance Measure	2017 National Average²	2017 Actual	2018 Actual	2019 Target	2020 Target
Farebox Recovery Ratio*	23.2%	23.6%	23.0%	23.6%	22.8%
Passengers per Bus Hour	28.6	22.7	20.8	21.1	20.7
Cost per Bus Hour	\$133.18	\$97.78	\$100.92	\$101.49	\$106.07
Cost per Passenger	\$4.68	\$4.30	\$4.84	\$4.80	\$5.12
Passenger Trips per Capita**	22.3	33.0	30.4	30.3	29.1

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) – 2017 National Transit Summary and Trends, Office of Budget and Policy, October 2018

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

Strategic Overview: The 2019 budget was balanced in part with \$1.6 million in one-time cost savings. Adding in a downward trend in ridership and attendant reduction in passenger revenue of about \$1.2 million created a budget shortfall for 2020 of over \$8 million. To counter the impacts of cost-increases and revenue reductions, MCTS carefully reviewed expenses in every department to identify where reductions were possible. Of specific note, MCTS denied department requests for new positions, delayed IT modernization projects, and reduced its service vehicle fleet size, which will save operating costs as well as decrease replacement equipment costs.

An increase in the use of Federal Funding of \$2.2 Million to the maximum permissible by FTA was also used, as a strategic yet short-term solution, to backfill for declining revenues. The 2020 Budget also includes a \$2.2 million increase in tax levy for transit, and an additional allocation of \$370,000 in VRF revenues for Transit.

The County would like to be increasing transit services, not presenting a budget that cannot be balanced without service reductions. The public also favors an expanded transit system as evident by detailed long-range planning work recently completed by the Southeastern Wisconsin Regional Planning Commission (SEWRPC). A significant similarity between the work of the Public Policy Forum a decade ago, and the recent long-range plan prepared by SEWRPC is that the VISION 2050 plan also included a warning that 'unless the Region is able to identify a new source of funding for transit, there will be less transit service in 2050 than is currently provided in the Region.'

MCTS shall work with the Office of Governmental Affairs in conjunction with the Office of the Comptroller and the Department of Administrative Services-Performance, Strategy and Budget DAS-PSB, to determine which State law(s) and County policies would need to be changed for MCTS to retain any surplus funds at the remainder of the year for use toward transit services in a subsequent year. MCTS shall furnish the study to the County Board no later than the June 2020 meeting cycle.

Strategic Implementation:

Despite fiscal constraints, MCTS performs very well in comparison to peers and national averages for transit systems.

Benchmarking to National Standards (based on 2017 data)

- The cost per hour for MCTS bus services continue to be substantially lower than national averages allowing MCTS to put more service on the street for our passengers than most other transit systems for the same cost.
- The percent of costs that are covered by passenger fares known as the farebox recovery ratio is similar to the national trend indicating that passenger fares are on balance with costs.
- MCTS services are also used at a higher rate per capita than in most other communities nationally; however, the average productivity of our services as measured by passengers per bus hour is trending lower than the national average indicating that overall transit services could be made more efficient.

Transit's role in Milwaukee is critical now and will continue to be in the future. In addition, the cost effectiveness of Transit in Milwaukee is a demonstration that investments in transit here are going to be managed carefully and used to their fullest. The top two reasons that people use transit are to get to jobs and school. MCTS operates a strong grid network of local and express bus services on which 97% of all ridership occurs. There is excellent access to both jobs and schools via this network. The remaining 3% of ridership occurs on such service lines as shuttles going to business and industrial parks; University Bus (UBUS) trips to the University of Wisconsin - Milwaukee, and Milwaukee Area Technical College; freeway flyer trips from park-ride lots into Downtown Milwaukee; and summer service buses to festivals, baseball games, and state fair.

Revenues and Expenses

In 2020, our largest funding source, State Mass Transit Aids was increased for the first time in five years; however, State funding continues to be lower than a decade ago. Ridership declines have also had a negative impact on passenger revenue and push the expense to revenue ratio further off balance.

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

On the revenue side, the MCTS budget includes anticipated revenue contracts that will exceed \$300,000, and in accordance with Wisconsin Statute 59.52(31), require approval from the County Board. Passage of the MCTS budget will allow the Department of Transportation to apply for and execute the following revenue grant contracts in 2020:

- State Urban Mass Transit Operating Assistance Contract (Section 85.20)
- State Urban Mass Transit Paratransit Assistance Contract (Section 85.205)
- State Specialized Transportation Assistance Program for Counties (Section 85.21)
- Federal Urbanized Area Formula (Section 5307)
- Federal Bus and Bus Facilities Formula (Section 5339)

On the expense side, the Budget does not include expenses related to the 2020 Democratic National Convention, expenses for new staff, expenses associated with implementation of strategies to advance battery electric bus technology, or expenses for implementation of Milwaukee County's enterprise resource planning (ERP) software. Furthermore, whether the ERP project will result in cost savings or cost increases has yet to be determined.

Fare Increases vs. Service Changes and Related Considerations

To balance the budget, consideration was given to fare increases, as well as to reducing services that are relatively less efficient in terms of passengers per bus hour and/or reducing services that inefficiently add to fleet size, such as peak only vehicles used on weekdays.

MCTS recognizes that service changes will impact passenger fare revenue. Although fare increases were also considered as a strategy to help to balance the budget, it was acknowledged that raising fares makes more sense when such increases replace service reductions. Since several service changes were necessary to balance the budget in 2020, adding fare increases would not be well received by passengers. No fare changes are proposed on the Fare Table on page 7.

Racial equity was also given deliberate consideration in the preparation of this budget. While it was necessary to consider service reductions, efforts were made to avoid changes that have a disparate impact on minority populations or cause a disproportionate burden on low-income individuals.

2020 Operational Changes

This budget closes the County fund gap between farebox revenue, State/Federal assistance and actual costs through modifications to, and eliminations of, transit services with low ridership and low productivity as measured in terms of passengers per bus hour (PBH).

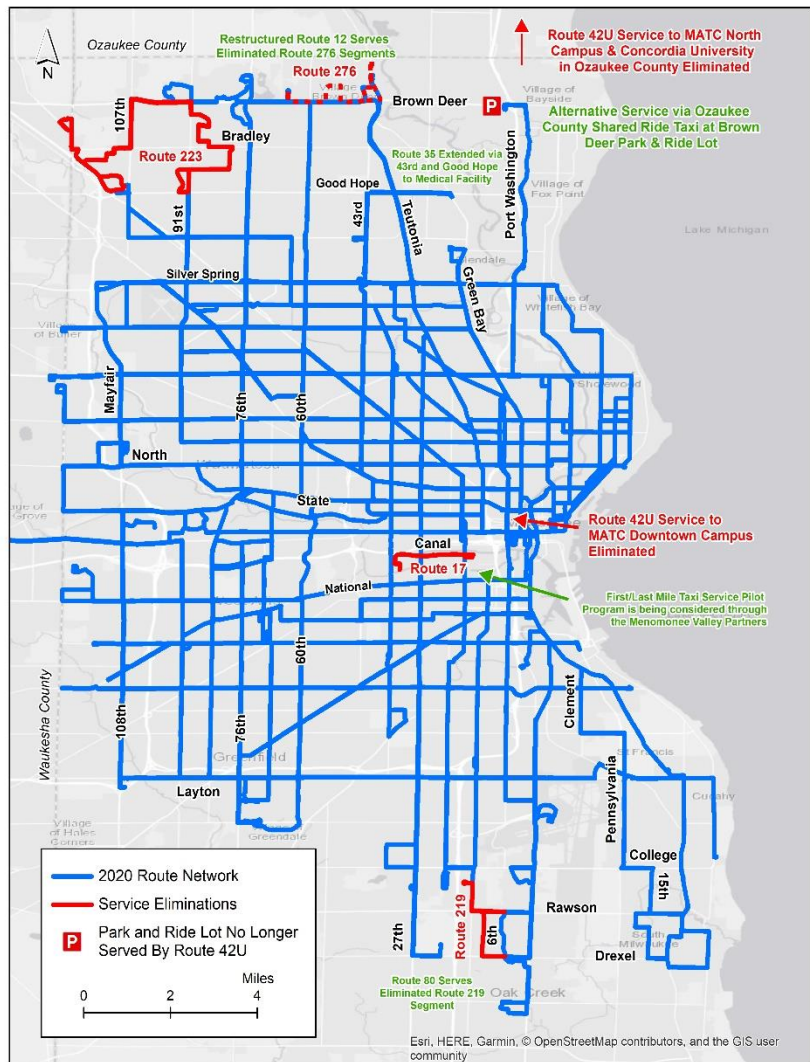
Bus routes and productivity statistics for routes that are eliminated in January 2020 are below:

- Route 17 Canal Street, 6.3 PBH
 - Menomonee Valley Partners (MVP) reports that Potawatomi Casino is partnering with a Transportation Network Company (TNC) for a “last-mile” solution for its workers.
- Route 219 Oak Creek Shuttle, 5.4 PBH
 - This route is in the service area of Route 80.
- Route 223 Park Place – Bradley Woods Shuttle, 2.9 PBH
- Route 276 Brown Deer Shuttle, 5.6 PBH

To cover this route, MCTS will adjust Route 12 to remove a one-way loop on N. 43rd St. and cover that loop with an extension of Route 35 to ensure that Route 12 can be extended northward to connect N. 60th St. to N. Teutonia Ave. in the Village of Brown Deer. The route will serve a highly used existing medical facility just east of the intersection at W. Good Hope Rd. and N. Teutonia Ave.

- Route 42U 6th Street – Port Washington UBUS, 3.9 PBH
 - As most 42U riders use the route within Milwaukee County, other routes can provide service to their destinations.
 - For the MATC students who use this service to reach their classes at the MATC North Campus, MCTS will work with the Ozaukee County Transit Service (OCTS) and Milwaukee Area Technical College to allow students to transfer from either the Brown Deer Park-and-Ride Lot to the OCTS Green Bay Rd. Pick-Up location via a modified Route 12 or the Brown Deer East/Bayshore Park-and-Ride Lot in the City of Glendale. From the Green Bay Rd. Pick-Up location, MATC students will be able to transfer to OCTS’

MCTS 2020 Adopted Budget
Service Restorations and Eliminations



DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600

FUND: Enterprise - 0083

rideshare taxi service. \$15,500 is budgeted for MATC students traveling to and from the MATC North Campus to transfer with their U-Pass at no additional cost.

MCTS and the Director of Transportation shall work toward an agreement to establish a funding partnership for future years of special summer and seasonal transit service with the Wisconsin State Fair, Milwaukee Brewers, Milwaukee World Festival LLC, and the organizations which operate the ethnic festivals at the Henry W. Maier Festival Grounds.

As a service-oriented organization, transit route reductions needed to balance the budget are difficult for MCTS to make. Route reductions are undertaken in a way that minimizes negative impacts on riders, especially for those within our community that use the bus for all of their daily transportation, those that are less mobile, and those who are elderly.

Although balancing the 2020 budget with service changes hinders MCTS's ability to meet some of the needs of the travelling public, MCTS is maintaining services on routes that are most heavily used by current passengers, while maximizing potential to grow ridership in the future. MCTS will continue to propose changes that improve service efficiency, address shifting demands for transit, and improve travel time reliability. In March 2020, MCTS will:

- Implement a cost-neutral merger of the BlueLine and Route 23, which will help to decrease bus bunching on National, Wisconsin and Fond du Lac Avenues, resulting in improved service reliability for passengers.
- Implement a cost-neutral merger of Route 30 and 30X bus stops to achieve similar benefits along Sherman Blvd., and Wisconsin, Prospect and Farwell Avenues.

These changes build upon the success achieved on Capitol Drive where Route 62 was merged with the Red Line Route (in 2017), and on 27th Street, where Route 27 was merged with the Purple Line Route (in 2019).

In 2020, MCTS will also seek to identify a more cost-effective method of providing access to Saturday visitation hours at the House of Correction in Franklin as an alternative to Route 137, which currently performs at a low productivity.

Finally, to meet new demand for workers and create opportunities for job seekers, \$100,000 is budgeted towards the startup of transit services to connect County residents with jobs. The Directors of MCTS and the Department of Transportation are requested to provide a report to the County Board no later than the March 2020 meeting cycle recommending the best use of the funds to get workers to jobs. The \$100,000 is placed within an allocated contingency account within Org. Unit 5600 – Department of Transportation - Transit and may be released after the County Board reviews the report.

Sustainability

The core grid network of fixed and express bus routes can also be improved by continuing to pursue projects that MCTS has made great progress on in the last two years: an increase in the number of high frequency bus routes in corridors where demand is greatest as described in MCTS NEXT, and the addition of the first bus rapid transit (BRT) line in Wisconsin, both of which are described in more detail below.

MCTS NEXT

The concepts of MCTS NEXT are supported by the public. The MCTS NEXT plan increases the proportion of higher frequency routes relative to low-frequency coverage routes. Under MCTS NEXT, Transit will provide faster service with more connections and increased accessibility. This strategy can move 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. MCTS NEXT, once approved, creates an implementation template for incremental service changes that will be consistent with the recommended plan. Each change will be approved before implemented.

Bus Rapid Transit (BRT)

BRT focuses on faster, more frequent transit service that is easier to use in a high passenger-demand transit corridor. A pending Federal grant is anticipated to be awarded by the end of 2019. In 2020, MCTS would then begin to build stations and procure equipment with a BRT start date expected for late 2021.

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600

FUND: Enterprise - 0083

Green Bus Replacement

Of the approximately 371 buses operated by MCTS, 180 of them were acquired in 2010-2012 and are nearing the end of their useful lives. These buses are likely to need replacement in the next few years. In 2019, MCTS began piloting acquisition of battery-electric buses (BEBs). In furtherance of carbon reductions to improve area air quality and combat climate change, MCTS shall study and develop a plan for the eventual replacement of its entire fleet of diesel buses with BEBs and/or electric-diesel hybrid buses as a bridge to a BEB fleet. The study shall be furnished to the County Board for consideration no later than the June 2020 meeting cycle.

DOT-TRANSIT (5600) BUDGET

DEPT: DOT-Transit

UNIT NO. 5600
FUND: Enterprise - 0083

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	\$17.50	\$17.50	No change
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	\$2.00/day	\$2.00/day	No change
Transfer	Free	Free	No change, Encoded on rider's M-Card;
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 90 minutes	\$2.00 for 90 minutes	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	\$2.00/day	\$2.00/day	No change