

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

Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures					
Personnel Costs	\$0	\$0	\$0	\$0	\$ 0
Operation Costs	\$142,823,683	\$141,546,666	\$156,674,122	\$152,559,366	(\$4,114,756)
Debt & Depreciation	\$4,550,784	\$4,826,383	\$3,492,953	\$3,492,953	\$ 0
Capital Outlay	\$1,276,324	\$554,756	\$386,000	\$825,000	\$439,000
Interdepartmental Charges	\$2,006,629	\$2,336,025	\$3,323,688	\$2,827,098	(\$496,590)
Total Expenditures	\$150,657,420	\$149,263,830	\$163,876,763	\$159,704,417	(\$4,172,346)
Revenues					
Direct Revenue	\$20,078,388	\$22,755,083	\$29,597,583	\$27,891,720	(\$1,705,863)
Intergovernmental Revenue	\$104,210,765	\$104,828,630	\$110,698,950	\$107,734,015	(\$2,964,935)
Indirect Revenue	\$0	\$0	\$0	\$	\$ 0
Local VRF Revenues	\$15,831,158	\$16,118,608	\$16,151,142	\$16,134,776	(\$16,366)
Total Revenues	\$140,120,311	\$143,702,321	\$156,447,675	\$151,760,511	(\$4,687,164)
Tax Levy	\$10,537,109	\$5,561,509	\$7,429,088	\$7,943,906	\$514,818

Department Mission:

The Milwaukee County Transit System (MCTS) connects the community to jobs, education, and life with essential transit services. The MCTS strives to be the preferred transportation choice through service excellence and innovation.

Department Description:

The Director's Office of the Milwaukee County Department of Transportation (MCDOT) provides oversight of MCTS, conducts transit related studies, and prepares and administers Federal and State transit grants. MCDOT 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). Transit employees work for MTS, which manages day to day transit operations using facilities and equipment owned by Milwaukee County.

Major Changes in FY 2023

The focus in 2023 will be two-fold as MCTS continues to push forward on developing a vibrant transit system, while also working to address funding limitations on the horizon. The East-West Bus Rapid Transit (BRT) route, along with the Battery Electric Buses (BEB's) and WisGo fare collection system, is scheduled to launch in June 2023. These modernization efforts are designed to both improve the rider experience and attract new riders. On the funding side, gradual increases in passenger revenue and federal revenue are evident, and have been able to lower expenses through various cost containment measures. Despite this, continued service is still reliant on the availability of Federal stimulus funds provided during COVID-19 which will be fully spent by the end of 2024, creating structural deficits in 2025.

The 2023 budget includes changes to cash fares and transfers for riders paying with cash fare. With the conversion to Cubic's UMO app in 2023, the ability to manually load a transfer onto the Umo smartcard is eliminated. This is a time-consuming process which slows boarding time and requires driver interaction both with the riders and the fare box. Transfers therefore are only provided to those paying by smartcard or mobile app. Based on analysis conducted by Transit, this change may have a disparate impact on low income and minority communities, and therefore we need to look at mitigation efforts. Mitigation efforts include:

- a. Lowering the price for cash fares from \$2.25 to \$2.00 for Adult fares, and from \$1.10 to \$1.00 for Reduced fares
- b. Increasing the availability of outlets to convert cash to smartcards from 100 to 200
- c. Providing free smartcards for the new system during the launch period
- d. Education outreach to communities which utilize cash
- e. Availability of ticket vending machines which accept cash along the BRT route (electronic tickets include transfers)

Strategic Program Area 1: Paratransit

Service Provision: Mandated

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$11,731,702	\$13,170,347	\$17,227,012	\$17,334,950	\$107,938
Revenues	\$11,255,844	\$11,743,703	\$11,815,360	\$14,085,683	\$2,270,323
Tax Levy	\$475,858	\$1,426,644	\$5,411,652	\$3,249,267	(\$2,162,385)

What We Do With It: Activity Data					
Activity	2020 Actual	2021 Actual	2022 Target	2023 Target	
Van Trips per Hour	1.92	2.02	1.90	1.99	
Van Ridership	235,783	269,581	437,466	393,719	
Agency Ridership (service discontinued)	2,858	0	0	0	
Taxi Ridership	36,378	24,277	62,500	8,333	
Total Ridership	275,019	293,858	499,966	402,052	
Individualized Travel Training	25	36	50	50	

How Well We Do It: Performance Measures					
Performance Measure	2020 Actual	2021 Actual	2022 Target	2023 Target	
Van Service On-Time Performance	97.1%	96.3%	94%	94%	
Van Cost per Ride (provider)	\$38.31	\$33.51	\$30.56	\$36.86	
Agency Cost per Ride (provider)	\$11.83	\$0	\$0	\$0	
Taxi Cost per Ride (provider)	\$12.59	\$12.80	\$12.87	\$12.90	
Total Cost per Ride (incl. admin.)	\$41.76	\$43.78	\$33.93	\$42.54	

Strategic Overview:

Transit Plus is Milwaukee County's paratransit program. There are over 7,700 registered Transit Plus participants who are Americans with Disabilities Act (ADA) paratransit eligible. MCTS contracts with two paratransit van service companies to provide rides to persons with disabilities border-to-border in the County following strict requirements of the ADA.

Strategic Implementation:

2023 ridership is projected to be 90% of pre-COVID (2019) ridership with overall costs increasing by approximately 2% due to inflationary adjustments in paratransit vendor contracts. The van contract for paratransit will be re-bid in 2023, with a focus on consolidating the previous two providers into one for efficiencies starting November 2023. The current Taxi program contract ends in May of 2023 and will not be renewed. The taxi program is being discontinued due to funding limitations. MCTS will also continue to provide mobility management activities inclusive of fixed route travel training, community outreach and education, mobility device training, and bus operator ADA sensitivity and passenger assistance training with assistance from a two-year FTA grant under Section 5310.

Strategic Program Area 2: Fixed Route

Service Provision: Mandated

Strategic Outcome: Quality of Life

How We Do It: Program Budget Summary					
Category	2020 Actual	2021 Actual	2022 Budget	2023 Budget	2023/2022 Variance
Expenditures	\$138,925,719	\$136,093,484	\$146,649,750	\$142,369,467	(\$4,280,283)
Revenues	\$128,864,467	\$131,958,618	\$144,632,315	\$137,674,828	(\$6,957,487)
Tax Levy	\$10,061,252	\$4,134,866	\$2,017,435	\$4,694,639	\$2,677,204

What We Do With It: Activity Data				
Activity	2020 Actual	2021 Actual	2022 Target	2023 Target
Buses in Fleet	390	371	350	314
Buses in Peak Hour	293	319	290	262
Bus Miles	16,474,876	17,496,269	17,604,340	16,986,930
Miles / Bus	42,243	47,160	50,298	54,099
Bus Hours	1,228,278	1,312,912	1,361,171	1,319,886
Passengers	15,595,089	14,356,646	20,021,743	21,282,569
Passenger Revenue	\$15,588,247	\$18,621,983	\$22,224,135	\$23,623,651
Revenue per Passenger	\$1.00	\$1.30	\$1.11	\$1.11

How Well We Do It: Performance Measures				
Performance Measure	2020 Actual	2021 Actual	2022 Target	2023 Target
Farebox Recovery Ratio*	11.9%	14.6%	16.0%	17.5%
Passengers per Bus Hour	12.1	10.9	14.7	16.1
Cost per Bus Hour	\$107.84	\$103.66	\$107.74	\$107.86
Cost per Passenger	\$8.91	\$9.48	\$7.32	\$6.69
Passenger Trips per Capita**	16.4	15.1	21.2	22.4

*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

In addition to the elimination of freeway flyers and festival service as outlined to the Transportation Committee in May 2022, MCTS will be lowering frequency on four routes. This 3.5% reduction in service along with other operational savings has allowed us to budget for an overall decrease of 3.1% in expenses. Budget to budget inflationary cost increases and wage increases that normally increase expense lines are being countered by lower costs for fuel and fringe benefits.

On the revenue side, passenger fares are up 4% as MCTS gradually works toward pre-COVID ridership levels. State Mass Transit Operating Assistance funding is flat compared to historical levels. Overall tax levy support for transit is increased by \$514,818 (including Paratransit and Fixed Route service). The 2023 budget is also reliant on \$23M of one-time Federal stimulus funds to balance the budget. That will leave \$18M in Federal stimulus funds for 2024, which is projected by MCTS to be adequate for needs in 2024. The projected loss of stimulus funds for 2025 and beyond presents significant budgetary risks for transit in future years.

In addition to the one-time Federal funds, the MCTS budget includes anticipated revenue contracts that exceed \$300,000 from state and federal sources, and in accordance with Wisconsin Statute 59.52(31), approval from the County Board is required. Passage of the MCTS budget allows MCDOT to execute these revenue grant contracts in 2023:

- 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)

While it is expected that future budgets will be challenging, transit's role in Milwaukee is critical now and in the future. An inclusive and accessible transit network benefits all users and transforms communities by connecting people to opportunities. Through MCTS, the County is providing a strong transit network that supports economic growth and competitiveness for the region. Ongoing investments in transit will help Milwaukee County realize a future where an individual's race no longer predicts one's success while also improving outcomes for everyone.

Strategic Implementation:

2023 will require focus and commitment on many fronts. The launch of BRT will take center stage, along with Battery Electric Buses and new fare collection system. In the background, MCTS will be working to finalize a new 3-year Union agreement, recruit/train Bus Operators, and continue planning a North-South BRT line. Each of these initiatives are described in more detail below:

East-West Bus Rapid Transit: The 2023 budget reflects changes associated with the start-up of the Bus Rapid Transit line in the summer of 2023. The E-W BRT will deliver an enhanced level of transit service that improves mobility and ultimately increases transit ridership in a cost-effective manner. It will feature technology improvements such as battery electric vehicles and real-time arrival signs at new bus stations. Buses will operate in exclusive transit lanes in congested portions of the corridor to increase reliability and maintain schedules. It will also feature unique branding to enhance the transit experience for riders. MCTS will also implement changes to some local routes to better integrate them into the EW – BRT including:

- GoldLine – The E-W BRT will replace GoldLine (Wisconsin Avenue) service along Wisconsin Avenue and Bluemound Road between downtown and the Milwaukee Regional Medical Center (MRMC). In addition, Route 30 (Sherman – Wisconsin) will replace GoldLine service from downtown to UWM. Finally, GoldLine service from the MRMC to Brookfield Square will be replaced with an extension of Waukesha Metro Route 1 (Brookfield – Waukesha). The GoldLine name will be retired.
- Route 14 (Forest Home - Humboldt) – Route 14 will be split in two routes: New Route 14 will serve primarily serve Humboldt Boulevard between Bayshore and downtown. New Route 24 (Forest Home Avenue) will be created to primarily serve Forest Home Avenue between Southridge and Marquette University.

- BlueLine (Fond du Lac Avenue) – The BlueLine will be shortened to end at Marquette University (16th Street & Wisconsin Avenue) instead of the downtown Intermodal Station. The BlueLine will remain a high frequency route as it exists today.
- Route 21 (North Avenue) – Route 21 will be expanded to maintain year-round service on Downer Avenue between North Avenue and UWM. Route 21 will remain a high frequency route as it exists today.
- In addition to the changes above, one bus will be removed from each of routes 52, 92, 34 and 88, decreasing the frequency by an average of 10 minutes.

WisGo Fare Collection: In support of the E-W BRT line, MCTS has partnered with Cubic/Umo to upgrade its fare collection system including new on-bus validators, smartcards, ticket vending machines and an integrated mobile app. This system will make significant changes to the tariff that has been in place for years and make significant improvements including:

- A simplified tariff where 90% of rides are \$2 and fare capping provides the “best price” based on frequency of ridership so that even those with the least money get the same price as those who previously purchased monthly and quarterly passes.
- Integration with Waukesha Metro for transfers, and the beginning of a potential regional transit application available to Waukesha and other Wisconsin Transit agencies.
- Acceptance of Open Payments
- Enhanced mobile app experience including: trip planning; integration with other transit providers like Uber, Lyft and Bubl; integration of mobile phone specialty programs for Universities, Schools and Employers (Commuter Value Pass).

Project Development for North-South Transit Enhancement: Project WT153, Engineering, Design and Environmental Review for the North-South Transit Enhancement Project, will allow MCTS to engage professional services to help the County qualify for federal funds to cover up to 80% of the project's capital cost. Federally mandated levels of engineering, project design and National Environmental Protection Act (NEPA) analysis will be conducted in 2023 and 2024, with the goal to receive Federal Transit Administration (FTA) approval in 2025 and construction to begin by 2026. Ultimately, MCTS commits to enhancements along this alignment as it serves some of the most concentrated areas of underrepresented populations in the City of Milwaukee, which is among the most racially segregated metro areas in the country. The investment aligns with Milwaukee County's 2019 declaration of racism as a public health crisis and its commitment to addressing the root causes of racial inequities.

Bus Operator Recruitment & Retention: MCTS recruits and trains over 100 Operators a year to keep pace with retirements and turnover. As in many areas of the economy, MCTS struggles to find applicants, and while MCTS continues to expand efforts to maintain consistent hiring; investing heavily in retention is also at the forefront. In 2022, MCTS began a multi-year training plan with Red Kite Consulting to provide Operators with the tools they need to do their job on both a personal and professional level. Red Kite is a resilience building organization working in high pressure industries to help mitigate the impact of trauma and burnout on employee populations. The work they do is interactive, participant driven, and has a unique focus on de-escalating crisis and conflict. The 3-day training is done on-site with 20 Operators at a time, and the goal is to engage all Operators over the next 3 years.

Collective Bargaining Agreement (CBA): The existing CBA with ATU expired on March 31, 2022. MCTS and ATU leaders have met regularly throughout 2022 and hope to finalize a contract by end of year. This work may carry over into 2023, as ATU leadership has made extensive financial requests for increases in wages and benefits which may require mediation to resolve. As more time is needed to resolve, the final contract may impact the expenses submitted within the 2023 budget.

FARE TABLE

Fare Name	Current Fare	Proposed Fare	Comment
Cash Fares			
Adult	\$2.25	\$2.00	Lower price; no transfer if paid with cash fare
Premium	\$3.50		Eliminated
Reduced Fare	\$1.10	\$1.00	Lower price; no transfer if paid with cash fare
Concession Premium Fare	\$1.60		Eliminated
M-Card/Stored Value Fares			
Adult Single Ride	\$2.00	\$2.00	Adding fare capping daily, weekly, and monthly at \$4, \$19.50 & \$72
Premium Single Ride	\$2.50		Eliminated
Reduced Fare	\$1.10	\$1.00	Adding fare capping daily, weekly, and monthly at \$2, \$11, \$32
Concession Premium Fare	\$1.60		Eliminated
Pass Fares			
1-Day Adult Pass	\$4.00		Eliminated
1-Day Adult Pass	\$5.00		Eliminated
1-Day Premium Pass	\$6.00		Eliminated
1-Day Concession Pass	\$2.00		Eliminated
1-Day Prem. Concession Pass	\$2.00		Eliminated
3-Day Adult Pass	\$12.00		Eliminated
3-Day Premium Pass	\$18.00		Eliminated
3-Day Concession Pass	\$6.00		Eliminated
3-Day Concession Premium Pass	\$9.00		Eliminated
7-Day Adult Pass	\$19.50		Eliminated
7-Day Premium Pass	\$27.00		Eliminated
7-Day Concession Pass	\$11.00		Eliminated
7-Day Premium Concession Pass	\$15.00		Eliminated
31-Day Adult Pass	\$72.00		Eliminated
31-Day Premium Pass	\$96.00		Eliminated
31-Day Concession Pass	\$32.00		Eliminated
31-Day Premium Concession Pass	\$45.00		Eliminated
Other Special Fares			
Student 7-Day Pass	\$17.50	\$17.50	No change
U-PASS Semester Pass	\$50.00	\$50.00	No change
Commuter Value Pass (quarterly)	\$220.00	\$210.00	Reduced to match new structure
New Freedom Pass	\$2.00/day	\$2.00/day	No change
Transfer -encoded on rider's Card	Free	Free	No change
M-Card Lite: One Ride/Two Ride	\$2.25/\$4.25	\$2.00/ n/a	Single ride reduced noticed as the move to less expensive ticket material occurs; Eliminated 2 ride; Fare form for eligible social service agencies/non-profits
Mobile App Day Pass	\$5.00		Eliminated
Mobile App Single Ride (90 minute)	\$2.00	\$2.00	No change
Paratransit Fare	\$4.00	\$4.00	No change (per one-way trip)
GO Pass	\$2.00/day		Combine with Reduced Fare