

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	\$155,098,499	(\$1,575,623)
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	\$2,819,814	(\$503,874)
Total Expenditures	\$150,657,420	\$149,263,830	\$163,876,763	\$162,236,266	(\$1,640,497)
Revenues					
Direct Revenue	\$20,078,388	\$22,755,083	\$29,597,583	\$27,938,387	(\$1,659,196)
Intergovernmental Revenue	\$104,210,765	\$104,828,630	\$110,698,950	\$110,734,015	\$35,065
Indirect Revenue	\$0	\$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	\$154,807,178	(\$1,640,497)
Tax Levy	\$10,537,109	\$5,561,509	\$7,429,088	\$7,429,088	\$ 0

Department Mission:

The Milwaukee County Transit System (MCTS) connects the community to jobs, education, and life with essential transit services. We strive 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 we continue 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, we are seeing gradual increases in passenger revenue and federal revenue, 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.

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	\$17,561,244	\$334,232
Revenues	\$11,255,844	\$11,743,703	\$11,815,360	\$14,132,350	\$2,316,990
Tax Levy	\$475,858	\$1,426,644	\$5,411,652	\$3,428,894	(\$1,982,758)

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	20,000
Total Ridership	275,019	293,858	499,966	413,719
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	\$13.57
Total Cost per Ride (incl. admin.)	\$41.76	\$43.78	\$33.93	\$41.89

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. Several options are under consideration regarding the future of this discretionary program. 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	\$144,675,022	(\$1,974,728)
Revenues	\$128,864,467	\$131,958,618	\$144,632,315	\$140,674,828	(\$3,957,487)
Tax Levy	\$10,061,252	\$4,134,866	\$2,017,435	\$4,000,194	\$1,982,759

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	17,174,035
Miles / Bus	42,243	47,160	50,298	54,694
Bus Hours	1,228,278	1,312,912	1,361,171	1,334,424
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%	17.2%
Passengers per Bus Hour	12.1	10.9	14.7	15.9
Cost per Bus Hour	\$107.84	\$103.66	\$107.74	\$108.42
Cost per Passenger	\$8.91	\$9.48	\$7.32	\$6.80
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

Aside from the elimination of freeway flyers and festival service outlined to the Transportation Committee in May 2022, there are no service reductions or fare increases for 2023. This 2% reduction in service along with other operational savings has allowed us to budget for an overall decrease of 1.3% in expenses. Budget to budget inflationary cost increases and wage hikes that normally increase expense lines are being countered by lower costs for fuel and fringe benefits. Favorable fuel futures pricing during the pandemic cut fuel expenses by \$650,000 and cost savings in pension and OPEB created savings of \$5.4M.

On the revenue side, passenger fares are up 4% as we gradually work toward preCOVID ridership levels. State, County and Federal funds remain flat, so this budget is also reliant on \$24M of one-time Federal stimulus funds to balance the budget. That will leave \$17M in Federal stimulus funds for 2024, which should be adequate for projected need in 2024.

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 our Battery Electric Buses and new fare collection system. In the background, we will be working to finalize a new 3-year Union agreement, recruit and 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.

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 Bublr; integration of the mobile phone with our 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 is committed 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 our economy, MCTS struggles to find applicants, and while we continue to expand our efforts to maintain consistent hiring we also are investing heavily in retention. 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 our 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 our 2023 budget.

FARE TABLE

Fare Name	Current Fare	Proposed Fare	Comment
Cash Fares			
Adult	\$2.25	\$2.00	Lower price; no transfer
Premium	\$3.50		Eliminated
Reduced Fare	\$1.10	\$1.00	Lower price; no transfer
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 as we move to less expensive ticket material; Eliminated 2 ride; Fare form for
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)

DOT — TRANSIT (560) BUDGET

UNIT NO. 560

Department: **Department of Transportation — Transit**

FUND: **General — 30083**

GO Pass	\$2.00/day		Combine with Reduced Fare
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