

BUDGET SUMMARY

| Category | 2021 Actual | 2022 Actual | 2023 Budget | 2024 Adopted Budget | 2023/2024 Variance |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenditures | | | | | |
| Operations Costs | 120,638,994 | 128,914,703 | 128,200,262 | 137,227,374 | 9,027,112 |
| Debt & Depreciation | 4,826,383 | 4,563,131 | 3,492,953 | 3,013,908 | (479,045) |
| Capital Outlay | 554,756 | 1,502,732 | 825,000 | 345,000 | (480,000) |
| Interdepartmental Charges | 2,336,025 | 2,796,197 | 2,827,098 | 4,794,069 | 1,966,971 |
| Total Expenditures | \$128,356,159 | \$137,776,764 | \$135,345,313 | \$145,380,351 | \$10,035,038 |
| Revenues | | | | | |
| Other Direct Revenue | 18,530,534 | 11,242,678 | 18,929,412 | 18,897,916 | (31,496) |
| State & Federal Revenue | 104,828,630 | 118,428,971 | 107,734,015 | 101,150,728 | (6,583,287) |
| Total Revenues | \$123,359,164 | \$129,671,649 | \$126,663,427 | \$120,048,644 | (\$6,614,783) |
| Tax Levy | \$4,996,995 | \$8,105,114 | \$8,681,886 | \$25,331,707 | \$16,649,821 |
| Personnel | | | | | |

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

- Tax levy in Transit is increased by \$16.4 million in 2024. This increase will improve the long-term fiscal sustainability of the bus system, while also reducing reliance on federal relief funds which are not permanent. The tax levy increase also supports changes to interdepartmental charges, debt and depreciation.
- The transit budget is increased by \$1.5 million to provide enhancements to transit safety and security operations. The additional funding of \$1.5 million will allow MCTS to significantly enhance security on busses by providing: Six new Transit Security Officers for a total of 47 officers across all three shifts. These staff will provide an additional 160 hours per week of coverage to increase visible presence on busses. A new dedicated dispatch security position under MCTS to exclusively handle security incidents during peak times to ensure timely and consistent responses to incidents. Two new dedicated transit security field supervisor positions (and an additional vehicle) to respond to critical incidents and oversee field staff. Specialized training for all staff on how to respond to passengers with mental health issues or housing challenges. This includes enhanced coordination with DHHS Housing division.
- CONNECT 1 Bus Rapid Transit (BRT) line begun in 2023 will be monitored for improvements / adjustments along with routes in the remainder of the network. MCTS will work with Milwaukee County DOT on a second BRT line on 27th Street under the North South Transit Enhancement project. The new WisGo fare collection system will also be evaluated after its first full year of operations.
- MCTS is requested to provide a report to the County Board no later than the March 2024 meeting cycle on the deployment of the new security enhancements and updated data on security incidents.

- The Department of Transportation- Transit/Paratransit working in conjunction within the Department of Health and Human Services and informed by recommendations from the Paratransit Taxi Task Force, shall develop accessibility options to support mobility which prioritizes work and medical appointment transportation. This shall also include an analysis of available state and federal reimbursements that may be available to offset the cost of the program. A recommendation shall be made to the County Board with a report in the January 2024 meeting cycle. To help effectuate any recommendations approved by the County Board, an appropriation of \$1,117,054 is contained in an allocated contingency account in Agency 194-1945- Appropriation for Contingencies.

Strategic Program Area: Paratransit

Service Provision: Mandated

How We Do It: Program Budget Summary

| Category | 2021 Actual | 2022 Actual | 2023 Budget | 2024 Budget | 2023/2024 Variance |
|--------------|-------------|-------------|-------------|-------------|--------------------|
| Expenditures | 13,170,347 | 16,683,091 | 18,072,930 | 19,069,494 | 996,564 |
| Revenues | 11,743,703 | 8,886,957 | 14,085,683 | 15,183,520 | 1,097,837 |
| Tax Levy | 1,426,644 | 7,796,134 | 3,987,247 | 3,885,974 | (101,273) |

What We Do With It: Activity Data

| Activity | 2021 Actual | 2022 Actual | 2023 Target | 2024 Target |
|--------------------------------|-------------|-------------|-------------|-------------|
| Individualized Travel Training | 36 | 50 | 50 | 50 |
| Taxi Ridership | 24,277 | 62,500 | 62,500 | 0 |
| Total Ridership | 293,858 | 499,966 | 402,052 | 353,955 |
| Van Ridership | 269,581 | 437,466 | 393,719 | 353,955 |
| Van Trips per Hour | 2 | 2 | 2 | 2 |

Strategic Overview:

Transit Plus is Milwaukee County's paratransit program. There are over 7,700 registered Transit Plus participants who are covered by the Americans with Disabilities Act (ADA).

Strategic Implementation:

2024 ridership is projected to be 80% of pre-COVID (2019) ridership with overall costs increasing by approximately 5% due to the re-bidding of services in 2023. Under the new contract, we have consolidated operations into one vendor and intend to streamline our operations and processes. 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. Fares remain the same at \$4/ride. Agency fare, however, will be raised from \$20.55 to \$35 as part of a two-year plan to increase that fare to the full cost of service (currently \$45). Agency Fare is charged to managed care organizations (MCOs) for rides that they are required to provide to their participants. As MCOs are already subsidized by the State, prior policy prohibits them from taking advantage of the County subsidized \$4 fare.

Strategic Program Area: Fixed Route

Service Provision: Mandated

How We Do It: Program Budget Summary

| Category | 2021 Actual | 2022 Actual | 2023 Budget | 2024 Budget | 2023/2024 Variance |
|--------------|-------------|-------------|-------------|-------------|--------------------|
| Expenditures | 115,185,811 | 121,093,673 | 117,272,383 | 126,310,857 | 9,038,474 |
| Revenues | 111,615,461 | 120,784,692 | 112,577,744 | 104,865,124 | (7,712,620) |
| Tax Levy | 3,570,351 | 308,980 | 4,694,639 | 21,445,733 | 16,751,094 |

What We Do With It: Activity Data

| Activity | 2021 Actual | 2022 Actual | 2023 Target | 2024 Target |
|-----------------------|--------------|--------------|--------------|--------------|
| Bus Hours | 1,312,912 | 1,330,529 | 1,319,886 | 1,316,902 |
| Bus Miles | 17,496,269 | 17,729,258 | 16,986,930 | 16,957,931 |
| Buses in Fleet | 371 | 371 | 314 | 315 |
| Buses in Peak Hour | 319 | 315 | 262 | 248 |
| Miles / Bus | 47,160 | 47,788 | 54,099 | 53,835 |
| Passenger Revenue | \$18,621,983 | \$21,630,272 | \$23,623,651 | \$23,950,000 |
| Passengers | 14,356,646 | 15,557,421 | 21,282,569 | 21,576,577 |
| Revenue per Passenger | \$1.30 | \$1.39 | \$1.11 | \$1.11 |

Strategic Overview:

There are no service reductions or fixed route fare increases for 2024. The overall expenditure budget has increased by roughly 7.2%. Increases are in the following areas: wages are increased based on a new Union contract (\$3 million), fuel costs are increased (\$2.7 million), increased funding is provided to enhance transit safety and security (\$1.3 million), and the remainder is related to changes to inter-departmental charges.

On the revenue side, passenger fares are up 1% as ridership continues to grow after the COVID induced ridership declines in 2020 and 2021. State revenues remain flat while County tax levy funds increase equal to the amount of federal funds decreased (13 million). The 2024 budget is reliant on \$8 million of one-time Federal stimulus funds (Transit ARPA) to balance the budget. This leaves roughly \$13 million dollars of Federal stimulus remaining. The 2024 use of only \$8 million will allow County leadership more time for decision and policy making. It also pushes out the year in which drastic changes may be needed. MCTS created the #SAVETHEBUS campaign in 2023 to educate riders, business leaders, and elected officials that potentially up to half of all routes could be eliminated in 2025 and that legislative action is needed to avert this possibility. These efforts will continue in 2024 during the preparation of the 2025 budget. MCTS will seek input from riders and the public on any route network redesign that might be needed based on the final budget.

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 2024:

- 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:

MCTS will continue to focus on improvements and delivery of service to our riders in 2024. As we come off a year of extensive project implementation (CONNECT 1 BRT and WisGo), we now look to monitor those projects and make improvements that address both rider and employee satisfaction. It remains important to garner the public support by demonstrating that a thriving transit system is essential in Milwaukee.

2024 will represent our first full year of operations for the CONNECT 1 BRT as well as our new WisGo fare collection system. MCTS will be carefully monitoring the results of these services and making adjustments as necessary in terms of service delivery, security and customer satisfaction. For WisGo, we will begin expanding the regional fare collection platform to Waukesha County and the City of Beloit, as well as pursuing partnerships with other transit systems within Wisconsin. MCTS is also operating a pilot program to return service to Summerfest and will be looking to expand those efforts in 2024 based on results as well as funding for new buses.

North-South BRT: Engineering, Design and Environmental Review for the North-South Transit Enhancement Project (WT153) will continue through 2024, with the goal to receive Federal Transit Administration (FTA) approval and Capital Investment Grant (CIG) funding in 2025, for construction to begin as soon as 2026. 2024 will further see extensive stakeholder outreach amongst the socially and ethnically diverse communities within this alignment to best advise MCTS on final design.

Infrastructure Upgrades: In 2024, MCTS also expects to update bus shelter infrastructure, amenities and technologies while also addressing the safety and security needs of passengers, operators, and the public. Bus curb extensions, Transit Signal Priority (TSP), bus stop boarding pads and bollards, as well as enhanced shelter designs will not only improve the rider experience but also increase accessibility and safety. Some of these projects are traffic calming measures that address reckless driving and will be strategically piloted in low income, predominantly minority areas of the county.

Bus Operations: The capital budget for 2024 includes 30 new buses, as well as other new projects to enhance service. That includes elements for safety (bus pads, and bollards), as well as new bus shelters for improved rider satisfaction. This is all part of our ongoing focus to improve daily operations, enhance satisfaction of passengers and employees, and overall upgrade our service. In 2023, we are operating a pilot program to return service to Summerfest and will be looking to expand those efforts in 2024 based on results as well as funding for new buses.

Technology Upgrades: As software systems for maintenance of vehicles and inventory are over 30 years old, MCTS has started the process to research a new system to modernize its fleet management. Much of our systems are still paper based and reliant on manual processes to ensure, document and test for proper vehicle maintenance. 2024 will include identification of a proposed path towards modernization, and implementations which will likely extend into 2025. This is an essential process not only in managing our fleet of buses, but also our service vehicles, facilities, and other assets.

Bus Operator Recruitment & Retention: MCTS recruits and trains over 100 Operators a year to keep pace with retirements and turnover. MCTS has struggled to find applicants. However, applications are up over 12% year over year and 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 by 2024. These efforts have proven successful as the turn-over rate has been reduced from 24% in July of 2022 to 15% in July of 2023.

In 2023, MCTS continued to refine its strategic plan which resulted in the creation of organizational goals. These organizational goals then formed the performance management program which includes both departmental and individual goals. The 2023 review cycle will be the third year whereby employees are given merit increases based on their competencies and goal achievements. This performance management program has served to motivate staff and has also fostered collaboration as all individual and departmental goals are based on the organizational goals. In 2024, MCTS will continue collaborate across departments and refine the organizational goals based on possible fiscal restrictions and organizational needs.

2024 also replaces \$13 million of federal dollars with tax levy. This swap will allow additional time for policy makers to decide the future of MCTS. While a "fiscal cliff" still looms this change pushes that cliff into the future.

Additional Program Details:

All fares will remain the same in 2024, except for the paratransit fair changes to managed care organizations who have other funding sources. That fare is increasing from \$20.55 to \$35 as part of a two-year plan to gradually increase the agency fare to reflect the full cost of service.

Fare Table

| Fare Name | Current Fare | Proposed Fare | Comment |
|----------------------------------|---------------------|----------------------|--|
| Cash Fares | | | |
| Adult | \$2.00 | \$2.00 | no transfer included |
| Reduced Fare | \$1.00 | \$1.00 | no transfer included |
| Stored Value Fares | | | |
| Adult Single Ride | \$2.00 | \$2.00 | Fare capped daily, weekly and monthly at \$4, \$19.50 & \$72 |
| Reduced Fare | \$1.00 | \$1.00 | Fare capped daily, weekly and monthly at \$2, \$11 & \$32 |
| Passes | | | |
| Eliminated | n/a | n/a | |
| 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) | \$210.00 | \$210.00 | no change |
| Transit+Pass | \$2/day | \$1/ride | Fare capped daily, weekly and monthly at \$2, \$11 & \$32 |
| Transfer encoded on rider's Card | Free | n/a | no longer available |
| Umo Lite - 1 ride | \$2.00 | \$2.00 | no change |
| Mobile App Single Ride | \$2.00 | \$2.00 | Fare capped daily, weekly and monthly at \$4, \$19.50 & \$72 |
| Paratransit Fare | \$4.00 | \$4.00 | no change |
| Paratransit Agency Fare | \$20.55 | \$35.00 | gradually increasing to full cost |