

## BUDGET SUMMARY

Category	2021 Actual	2022 Actual	2023 Budget	2024 Requested Budget	2023/2024 Variance
<b>Expenditures</b>					
<b>Operations Costs</b>	120,638,994	128,914,703	128,200,262	135,717,774	7,517,512
<b>Debt &amp; Depreciation</b>	4,826,383	4,563,131	3,492,953	3,492,953	0
<b>Capital Outlay</b>	554,756	1,502,732	825,000	345,000	(480,000)
<b>Interdepartmental Charges</b>	2,336,025	2,796,197	2,827,098	2,940,671	113,573
<b>Total Expenditures</b>	<b>\$128,356,159</b>	<b>\$137,776,764</b>	<b>\$135,345,313</b>	<b>\$142,496,398</b>	<b>\$7,151,085</b>
<b>Revenues</b>					
<b>Other Direct Revenue</b>	18,530,534	11,242,678	18,929,412	18,897,916	(31,496)
<b>State &amp; Federal Revenue</b>	104,828,630	118,428,971	107,734,015	112,841,128	5,107,113
<b>Total Revenues</b>	<b>\$123,359,164</b>	<b>\$129,671,649</b>	<b>\$126,663,427</b>	<b>\$131,739,044</b>	<b>\$5,075,617</b>
<b>Tax Levy</b>	<b>\$4,996,995</b>	<b>\$8,105,114</b>	<b>\$8,681,886</b>	<b>\$10,757,354</b>	<b>\$2,075,468</b>
<b>Personnel</b>					

**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**

- The focus in 2024 will be to improve the rider's experience by developing a vibrant transit system and to educate / inform the public on the \$21M "fiscal cliff" scheduled to occur in 2025. The 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. Finally, MCTS will advocate and educate the public on the fiscal cliff, i.e., the expiration of COVID era stimulus funds, through its #SAVETHEBUS campaign.

**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	18,804,692	731,762
Revenues	11,743,703	8,886,957	14,085,683	15,183,520	1,097,837
Tax Levy	\$1,426,644.43	\$7,796,134.07	\$3,987,247.00	\$3,621,172.00	(\$366,075.00)

**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 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	123,691,706	6,419,323
Revenues	111,615,461	120,784,692	112,577,744	116,555,524	3,977,780
Tax Levy	\$3,570,350.64	\$308,980.29	\$4,694,639.00	\$7,136,182.00	\$2,441,543.00

**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 2023. The overall budget has increased by 5%. While we have maintained flat expenses in almost all areas, the following items did increase wages based on new Union contract (\$3 million), Fuel (\$2.7 million), and new Paratransit contract (\$1 million). These items are all covered by existing grant revenues and tax levy remains flat.

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, County and Federal funds remain flat, so this budget is also reliant on \$21M of one-time Federal stimulus funds to balance the budget. This will be the end of the Stimulus funds, and therefore the estimated shortfall for 2025 would be \$21 million, commonly referred to as the "fiscal cliff". As noted earlier, 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:**

2024 is all about improving how MCTS delivers service to our riders. 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. While we continue to work at resolving the fiscal cliff, it remains equally 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 request for 2024 includes 30 new buses, as well as several new projects to enhance out service. That includes elements for safety (curb extensions, 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 turnover 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.

**Additional Program Details:** All fares will remain the same in 2024, except for the paratransit fare 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.

THIS PAGE INTENTIONALLY  
LEFT BLANK