

REQUESTED 2009 BUDGET

DEPARTMENT OF TRANSPORTATION & PUBLIC WORKS
Milwaukee County Transit/Paratransit System

UNIT NO. 5600
FUND: Enterprise - 0083

OPERATING AUTHORITY & PURPOSE

The Department of Transportation & Public Works provides public transit services through the Milwaukee County Transit System. Direct management and operation of the transit system, including paratransit services, is provided by Milwaukee Transport Services, Inc., (MTS) a private nonprofit corporation under contract to the County. The corporation uses transit facilities and equipment owned and provided by Milwaukee County.

Paratransit operations include the provision of demand responsive transportation and orientation to transportation services. These services provide a complement to the fixed-route services of MCTS and are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible.

The Transportation Planning Division of the Department of Transportation & Public Works provides County oversight as well as conducts various transit related studies, and prepares and administers federal and state transit grants. Divisional personnel also facilitate the acquisition of capital equipment, and provide design and construction services for capital facilities.

GENERAL SUMMARY

This is a programmatic presentation of the Transit Services budget. Each unit presentation includes a fiscal summary, a program description and budgetary highlights. The transit operations description indicates the number of authorized positions assigned to the unit and a departmental summary of changes. The Transit Policy and Capital Acquisition program has no authorized positions but is cross-charged for services provided by the Transportation Planning Division.

MISSION

The Milwaukee County Transit/Paratransit System 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.

BUDGET SUMMARY				
Account Summary	2007 Actual	2008 Budget	2009 Budget	2008 / 2009 Change
Contract Services	479,550	434,204	432,204	(2,000)
Internal Service Charges	1,926,387	1,846,358	2,516,502	670,144
Commodities	472,783	490,000	460,000	(30,000)
Depreciation	3,024,517	2,517,365	2,658,622	141,257
Transit Operations	150,969,106	157,364,173	167,194,630	9,830,457
Other Charges	1,090,879	580,000	1,380,000	800,000
Major Maintenance	80,805	65,000	105,000	40,000
New & Repl. Equip.	301,609	370,500	546,000	175,500
Planning	448,332	475,396	192,300	(283,096)
Capital Outlay Contra	(159,001)	(370,500)	(546,000)	(175,500)
Abatements	(193,706)	(12,024)	(5,647)	6,377
Total Expenditures	158,441,261	163,760,472	174,933,611	11,173,139
State & Federal Revenue	82,475,576	87,719,762	88,170,640	450,878
Other Direct Charges	2,915,801	3,303,730	14,313,048	11,009,318
Transit Revenues	49,611,131	50,565,522	50,948,522	383,000
Total Revenues	135,002,508	141,589,014	153,432,210	11,843,196
Property Tax Levy	23,438,753	22,171,458	21,501,401	(670,057)

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ORGANIZATIONAL COST SUMMARY					
DIVISION		2007 Actual	2008 Budget	2009 Budget	2008 / 2009 Change
Transit Operations	Expenditure	150,969,106	157,364,173	167,194,630	9,830,457
	Revenue	<u>49,611,131</u>	<u>50,565,522</u>	<u>50,948,522</u>	<u>383,000</u>
	Tax Levy	101,357,975	106,798,651	116,246,108	9,447,457
Transit Policy and Capital Acquisition	Expenditure	7,472,155	6,396,299	7,738,981	1,342,682
	Revenue	<u>85,391,377</u>	<u>91,023,492</u>	<u>102,483,688</u>	<u>11,460,196</u>
	Tax Levy	(77,919,222)	(84,627,193)	(94,744,707)	(10,117,514)

DEPARTMENT DESCRIPTION

The *Transit Operations Program* includes all activities necessary for the efficient, day-to-day management and operation of the Milwaukee County Transit System, and the related Transit Plus paratransit service by Milwaukee Transport Services, Inc., a private nonprofit corporation under contract with Milwaukee County. The corporation employs a work force totaling approximately 1,100 employees.

The *Transit Policy and Capital Acquisition* program is staffed by four positions in the Transportation Planning Division and is responsible for all studies related to transit planning, the replacement and acquisition of transit capital assets, and providing design and construction services for capital facilities. In addition, this division develops and submits grant applications and administers all approved state and federal grants.

Transit Operations

- The 2009 Requested Budget has been developed without any increase in fares for either the fixed route bus service or paratransit service and has no reduction in routes.
- Operating expenses are \$141,912,967, an increase of \$7,502,495 (5.6%) over the 2008 budget. This increase is due to a budgeted increase of \$7,010,166 in fuel expense. The 2009 budget contains fuel at \$4.00 per gallon compared to \$2.30 per gallon in the 2008 budget.
- The level percentage method of calculating OPEB costs results in annual increases in the OPEB required contribution. The 2009 increase is estimated to be \$839,000 over the 2008 budgeted amount.
- Transit passenger revenue (passenger abatement) for 2009 is estimated to be \$44,330,000, an increase of

\$780,000 (1.8%) over the 2008 budget due to strong ridership trends that began early in 2008.

- Bus ridership is projected to be 42,420,000, an increase of 705,125 (1.7%) when compared to the 2008 budget.
- In 2008, Milwaukee Transport Services, Inc. (MTS) joined the Business Health Care Group (BHCG), which includes more than 500 businesses in Southeastern Wisconsin and covers approximately 89,000 individuals. A competitive bid process revealed that the High Performance Network offered by BHCG was approximately \$1.75 million less per year than the next closest bid, and nearly \$3.8 million less than the highest bidder. MTS, Inc. intends to remain a member of the BHCG in order to continue to benefit from its negotiating power, but reserves the right to seek competitive bids if warranted. This change and increased employee and retiree co-pays negotiated in 2007 have also helped to mitigate the increases in operating costs of the fixed route system

Paratransit Operations

- Reimbursement for trips provided to clients of the Milwaukee County Department on Aging and Milwaukee County Department of Disability Services will be billed to those agencies at the full cost, averaging \$20.69 per trip. This action will increase the Transit Plus program revenue by an estimated \$10.5 million.
- This budget assumes that MCTS will continue to receive full reimbursement for Title XIX trips provided by paratransit.

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- Total paratransit trips are estimated at 1,158,830, an increase of 82,079 (7.6%) compared to the 2008 budget.
- Purchased transportation expense is estimated at \$20,483,870, an increase of \$2,117,177 (11.5%) compared to the 2008 budget.
- Overall productivity for van service is projected to be 2.05 rides per hour in 2009, a slight increase from the 2008 budget.
- State operating assistance is estimated to be \$65,300,000, an increase of \$1,515,000 (2.4%) compared to the 2008 budget..
- State specialized transportation assistance is projected to increase \$17,000 (1.2%) to \$1,494,000.
- Federal formula funds used for transit operations (capitalized maintenance) will be \$16,350,000, a decrease of \$2,350,000 compared to the 2008 budget.
- Federal cost of contracting funds (FTA formula funds) used for paratransit operations will be \$1,850,000, an increase of \$100,000 compared to the 2008 budget.

Transit Policy and Capital Acquisition

ACTIVITY & STATISTICAL SUMMARY			
	2007 <u>Actual</u>	2008 <u>Budget</u>	2009 <u>Budget</u>
Bus Fleet	483	483	483
Buses Operated	431	394	394
Bus Miles	18,494,513	17,903,359	17,776,847
Bus Hours	1,376,762	1,339,612	1,322,692
Revenue Passengers	42,531,691	41,714,875	42,420,000
Cost Per Mile	\$6.97	\$7.51	\$7.98
Cost Per Revenue Passenger	\$3.03	\$3.22	\$3.35
Revenue Per Revenue Passenger	\$1.00	\$1.04	\$1.05
Farebox Recovery Ratio	33.01%	32.40%	31.24%
Transit Plus Van Trips/Hour	2.04	2.02	2.05
Transit Plus Ridership	1,091,823	1,076,751	1,158,830
Transit Plus Cost/Ride	\$20.14	\$21.32	\$21.826

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Passenger Fares

Fare Form	2004	2005	2006	2007	2008	2009
Adult cash fare	\$1.75	\$1.75	\$1.75	\$1.75	\$2.00	\$2.00
Adult weekly pass	\$13.00	\$13.00	\$14.00	\$16.00	\$16.00	\$16.00
Adult ticket book (a)	\$13.00	\$13.00	\$14.00	\$16.00	\$16.00	\$16.00
Half fare cash fare	\$0.85	\$0.85	\$0.85	\$0.85	\$1.00	\$1.00
Half fare ticket book (a)	\$8.50	\$8.50	\$8.50	\$8.50	\$10.00	\$10.00
Student special weekly pass	\$11.50	\$11.50	\$13.75	\$15.00	\$15.00	\$15.00
UPASS (b)	\$38.00	\$38.00	\$41.00	\$41.00	\$41.00	\$41.00
Commuter Value Pass (c)	\$126.00	\$126.00	\$155.00	\$177.00	\$177.00	\$177.00
Premium cash fare	\$2.05	\$2.05	\$2.25	\$2.25	\$2.50	\$2.50
Premium fare ticket book (a)	\$16.00	\$16.00	\$19.00	\$21.00	\$22.00	\$22.00

(a) 10 tickets per ticket book.

(b) Effective beginning with the Fall term of the year indicated. Fall and Spring terms are full price. Summer term is half price.

(c) Valid for three months, issued each calendar quarter.