

**COUNTY OF MILWAUKEE**

**INTER-OFFICE COMMUNICATION**

DATE: October 14, 2015

TO: Michael Mayo, Sr., Chair  
Transportation, Public Works & Transit Committee

FROM: Brian Dranzik, Director, Department of Transportation

SUBJECT: Informational Report from the Director, Department of Transportation, Submitting an Overview of the 2016 Recommended Budget for the Milwaukee County Department of Transportation

REQUEST:

As requested by the Chair of the Transportation, Public Works & Transit Committee, this preliminary report is an overview of the 2016 Recommended Budget for the Milwaukee County Department of Transportation. All comparisons are made against the 2015 Adopted Budget.

The Milwaukee County Department of Transportation includes the following Divisions: Airport (General Mitchell International Airport and Lawrence J. Timmerman Field), Highway (Highway Maintenance and Transportation Services), Fleet Management, Transit (Fixed Route and Paratransit), and the Director's Office.

The 2016 Recommended Budget for MCDOT includes expenditures of \$290,275,919 revenues of \$267,299,108 and property tax levy of \$22,976,811, which is an increase of \$2,550,432 over the 2015 Adopted Budget property tax levy.

			<b>2015 Adopted/2016 Recommended</b>
	<b>2015 Adopted Budget</b>	<b>2016 Recommended Budget</b>	<b>Property Tax Levy Change</b>
	<b>Property Tax Levy</b>	<b>Property Tax Levy</b>	<b>Increase/(Decrease)</b>
<b>Airport</b>	\$ -	\$ -	\$ -
<b>Highway</b>	\$ 1,262,795	\$ 1,262,965	\$ 170
<b>Fleet Management</b>	\$ (854,575)	\$ (735,859)	\$ 118,716
<b>Transit</b>	\$ 20,018,159	\$ 22,449,705	\$ 2,431,546
<b>Director's Office</b>	\$ -	\$ -	\$ -
	\$ 20,426,379	\$ 22,976,811	\$ 2,550,432

## BACKGROUND:

### *Airport*

- Expenditures for the Airport increased by \$3,038,482. The majority of the increase came from two items: 01) increase in fringe benefit costs, both pension and health care, 02) With the bag claim and inline baggage areas completed, depreciation expense will begin as the assets are placed into service.
- Direct revenue increased by \$2,937,627 is from changes in landing fees, terminal rent and parking.
- Budgeted cross charges increased by \$365,951. Sheriff, Risk, Central Service Allocation and IMSD were budgeted to more closely reflect the actual level of services that have been and will continue to be provided to the Airport.
- Expenditures of \$22,158,500 are included in the capital improvements budget for airport projects. Significant capital improvement projects include: \$5,500,000 for Replacement of Skywalk Glass, \$2,500,000 for Taxiway F Reconstruction, \$3,500,000 for Noise Study Update, \$1,995,500 for Firehouse additions and \$1,584,000 for Taxi Cab/Ground transportation lot at GMIA.

### *Highway Division*

- Property tax levy for the Highway Division increased \$170.
- Budgeted revenue to reimburse Highway Maintenance for work performed on State trunk Highways and Expressways is increased by \$821,096 which is due to increases in employee fringe benefit costs and personnel costs which are eligible to be charged to the State.
- Position Changes for 2016, in Transportation Engineering Services, one position of Resident Contract Manager – Highways is funded from a prior unfunded status. The work level is sufficient to support this position. In addition, a total of 1.0 FTE Interns to geotag assets for the new GIS based work order and billing system in Cityworks.
- Expenditures of \$10,708,000 are included in the capital improvements budget for design, construction, and right of way on multiple county highway and bridge projects. Significant budgeted capital improvement projects include: \$5,350,000 for the construction W. Mill Road. (CTH S) – N. 43rd St. to N. Sydney Pl., \$3,418,000 for the construction related W. St. Martins Road - S. N Cape Road to S Lovers Lane Road, and \$500,000 for the continuation of the design and right-of-way acquisition phases related to S. 13<sup>th</sup> St. (CTH V) – W. Drexel Avenue to W. Rawson Ave., City of Oak Creek.

### *Fleet Management*

- There are no changes in the personnel budget Fleet continues to have 34.5 full time equivalent positions.
- The 2016 Budget will begin charging County user departments for the cost of their individual department's preventable accidents and each individual department will be responsible for absorbing the costs of these accidents.
- Approximately \$265,000 in decreases for Debt and Depreciation offset the increase in costs for higher costs of existing positions and slight increases in cross charges across the board to Fleet from other departments.
- Property tax levy for Fleet Management increased \$118,716. With the adoption of the 2010 Fleet replacement program, the auction revenue for equipment purchased under the replacement program was going to the Fleet replacement program to fund equipment purchases rather than being another source of revenue to fund operations. With 2016, the auction revenue is being given back to the users and not staying in Fleet's budget.
- Expenditures of \$6,423,000 are included in the capital improvements for the acquisition of vehicles and equipment. The allocation of these funds are: \$3,197,000 for general equipment; \$710,000 for Sheriff Office; \$259,000 for the House of Correction and \$2,257,000 for the Parks Department. Fleet Management continues efforts to right-size the fleet, looking at factors such as the overall fleet size, versatility of usage, adjusting equipment replacement cycles to be further reflective of actual usage and affordability of the replacement program. For 2016, the vehicle replacement cycles change from 3, 5, and 8 years for light, medium and heavy duty vehicles to 4, 7, and 12 years based upon actual usage.

### *Transit*

- No major fixed route or fares changes for 2016.
- Passenger fare revenues (passenger abatement) decrease \$2.7 million to reflect support for changes in ridership and growing utilization of GO Pass. An analysis of the GO Pass program will be conducted in 2016 with participation from the Department of Administrative Services, the Department of Transportation, and the Comptroller's Office to better understand the revenue trends and impact of the GO Pass. An appropriation of \$100,000 has also been provided in the event that the services of a transit industry consultant become necessary. A report on the findings will be presented to the County Board on or about the end of the 2nd quarter.

### *Transit -- Continued*

- The 2016 fixed-route service increases by 119,195 miles (0.7%) and 11,270 hours (0.7%), and include two Metro Express routes (Gold and Purple) funded with \$5.7 million in Congestion Mitigation and Air Quality (CMAQ) funds, and Routes 6, 61 and 279 funded with \$2.9 million in Zoo Interchange litigation funds. Overall operational costs for fixed-route service increase slightly.
- Wages and salaries are increasing \$1.4 million due to anticipated labor contract increases and the addition of ten bus operators, offset by a decrease in fuel expenses of \$1.8 million.
- Route 51 is extended south into St. Francis to the new FBI headquarters building on a six-month trial basis at a net cost of \$150,000 to determine ridership levels and long-term financial feasibility.
- Overall tax levy for paratransit will increase \$329,582 primarily due to a \$1 million decrease in trip subsidies paid to the program by the Managed Care Organizations, that is partially offset by a 3% reduction in van rides based on utilization, and a 5% reduction in cost per ride due to the recent RFP process.
- Funding of \$300,000 is provided for professional services related to planning for the bus rapid transit (BRT) initiative, and \$200,000 is provided for professional services to oversee building and grounds management for Transit facilities. This service will be overseen by the DOT Director's Office with costs charged to the Transit system.
- Capital improvement projects for the transit system include \$14,450,000 for replacement of 30 buses.

### *Director's Office*

- The majority of expenditures for the Director's Office remain the staffing costs necessary to provide oversight, coordination, and technical assistance to the MCDOT Divisions and crosscharges from other county departments such as Facilities Management, Information Management Service Division (IMSD), and Risk Management.
- Budgeted property tax levy for the Director's Office is \$0.
- Non-county revenue from administration of the towing program is \$240,000, no change from 2015.
- A change from the 2015 Budget should be noted. The Department of Administrative Services-Risk Management Division is centralizing the Safety Management function countywide. As a result of this initiative, a position of Emergency and Safety Program Manager is transferred from the DOT-Director's Office to DAS-Risk Management.

*Director's Office -- Continued*

While this position will report to Risk Management, it will serve the needs of DOT-Highway Division and DOT-Fleet Maintenance.

- One position of Senior Analyst-GIS is transferred from DOT-Highway Maintenance to DOT-Director's Office. The GIS function is being housed in the DOT-Director's Office because its application is of a broader department wide nature.
- One position of Transportation Analyst is added to provide analytical research based on changes in policy at the federal, state, and local levels as well as to research requests made by elected officials and the public. Current staffing levels are insufficient to adequately address these needs.
- The Building and Grounds contract for Transit will be administered under the Director's Office for 2016. As such, the costs of the contract are in the Director's Office budget and the corresponding cross charge back to Transit.

RECOMMENDATION:

This report is for informational purposes only.

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Approved by:

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Brian Dranzik, Director,  
Department of Transportation

Cc:

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