



2017 Transit Budget

► Milwaukee County Transit System

2016 Major Accomplishments

- Discontinued distribution of paper transfers, taper tickets and paper passes
- Implemented an electronic bus fare ticket for Summerfest passengers boarding at park-ride lots
- Applied for and received \$4.8 Million in CMAQ improvement funds for 2019 and 2020
- Obtained approval for a locally preferred alternative for BRT from Downtown Milwaukee to the MRMC complex; timely application to the FTA for federal funding assistance was also submitted
- Re-routed eight (8) downtown bus routes to accommodate the sale of the Downtown Transit Center
- In the process of taking delivery of 30 new buses, with all arriving by the end of 2016
- Created a consolidated call center for M-CARD, complaints, commendations and transit information
- Installed new HD, 10 camera system on 40% of the fleet, with all installed by the end of 2016
- Installed an M-CARD vending machine at the Airport

2017 Major Initiatives



- ▶ Complete Preliminary Engineering for the Bus Rapid Transit Project
- ▶ Purchase 15 new 40-foot buses
- ▶ Replace the HVAC system at the Kinnickinnic Maintenance Facility
- ▶ Replace the roof at the Fond du Lac Garage Bus Storage Facility

2017 \$160 Million Budget

Paratransit Budget: \$ 16 Million
Fixed Route Budget: \$144 Million
Total: \$160 Million

Fare Revenue:

▶ Paratransit \$ 1,847,820
▶ Fixed Route \$33,289,360

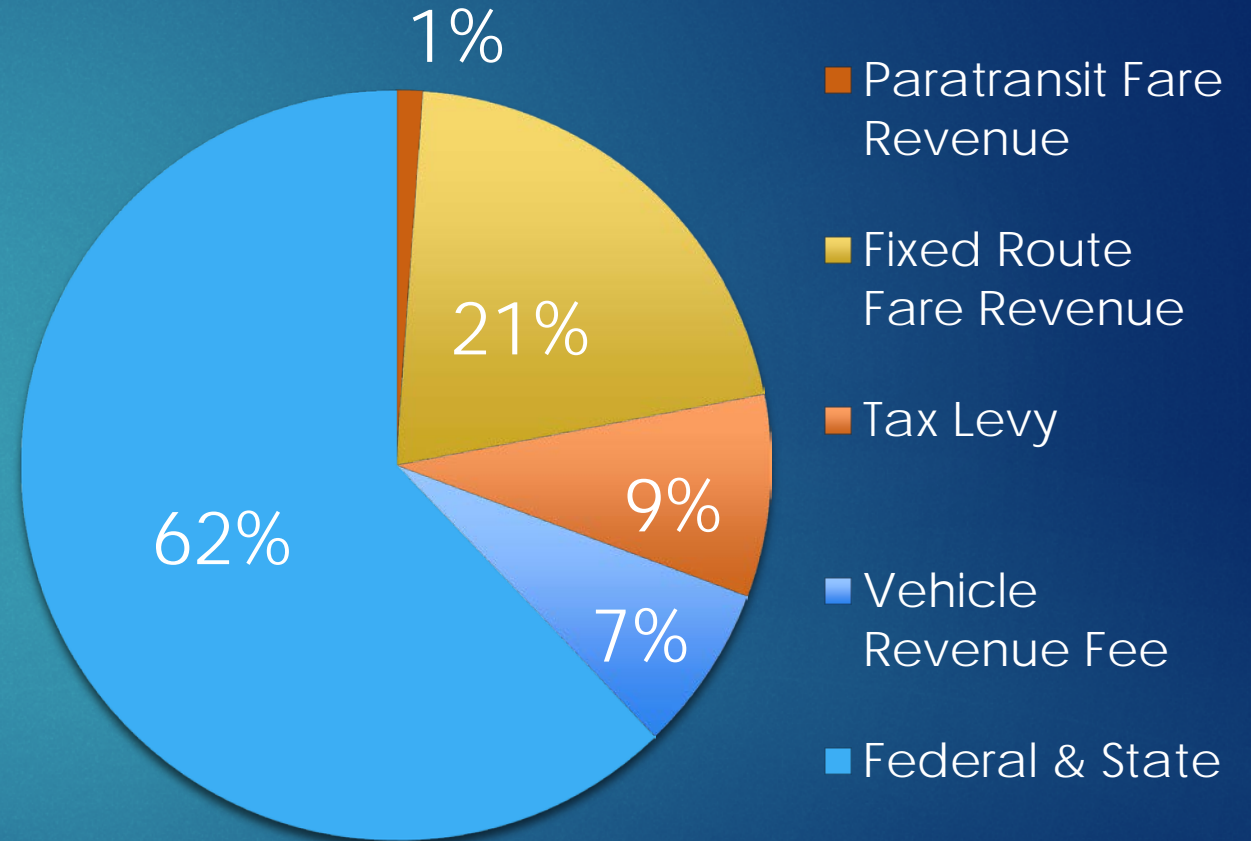
Local Support:

▶ Tax Levy \$13,961,512
▶ Vehicle Revenue Fee: \$11,497,964

1,050 Employees

412 Buses

Paratransit Operations Subcontracted



Paratransit Summary

- ▶ Total budget of **\$16 million** in 2017
- ▶ Mobility Management and travel training activities will continue
- ▶ New Freedom pass for conditionally eligible paratransit passengers continues
- ▶ Paratransit services will remain county wide – border-to-border
- ▶ Levy support for paratransit increased by 8%, offset by decrease in fixed route levy

527, 977
Paratransit
Rides

4% less than 2016
budgeted amount

\$30.79
cost per
ride

4% more than 2016
budgeted amount

\$3.50
per ride
passenger
fare

Same as 2016

\$20.05
per ride
MCO trips

Manage Care Organization
\$3.50 fare + \$16.55 subsidy

Fixed Route Transit Summary

- ▶ **Transit services provided in 2017 will be essentially the same as in 2016.**
 - ▶ Includes services such as: Local routes, MetroExpress, freeway flyers, employer focused shuttles, UBUSES, and school focused routes.
- ▶ **Bus Hours are reduced from 1,426,000 to 1,399,000**
 - ▶ 1.9% reduction in bus hours reflects changes in Downtown Milwaukee resulting from the sale of the Downtown Transit Center, as well as removal of select school specific bus services in instances where the underlying fixed route transit buses had available capacity.
- ▶ **\$144 Million budget is about \$2.6 million less than in 2016**
 - ▶ Increases in wage and benefit costs are primarily offset by favorable fuel pricing that resulted in \$5.2 million decrease in expenditures for fuel from 2016 to 2017.
 - ▶ Future year increases in the cost for fuel could significantly impact future budgets.



Questions about Options

1. What's the Funding Breakdown?
2. What's changing with GO Pass and what if it is discontinued?
3. Is transit seeking to be efficient and what if late night buses were eliminated?
4. Can we get more grants?



MCTS Funding Breakdown and Revenues

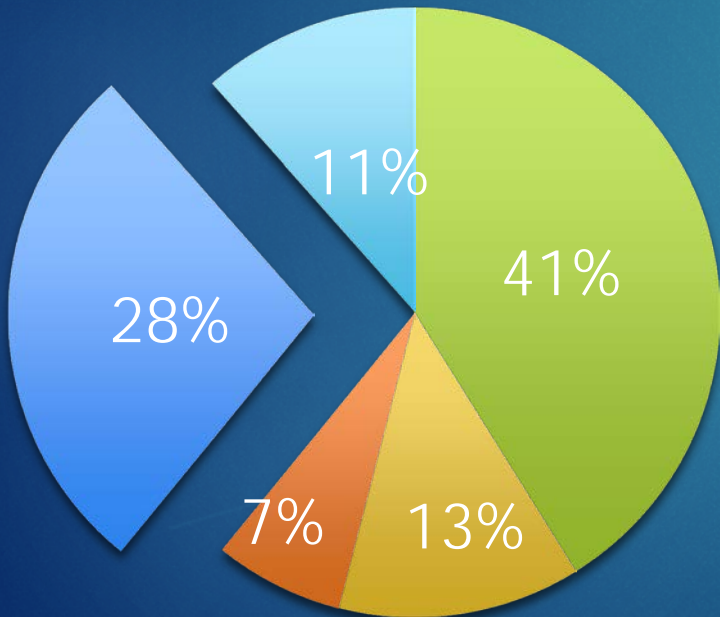
From 2008 to 2016 Revenue from Passenger Fares decreased from 28% to 20%

From 2008 to 2016 Levy increased from 11% to 15%

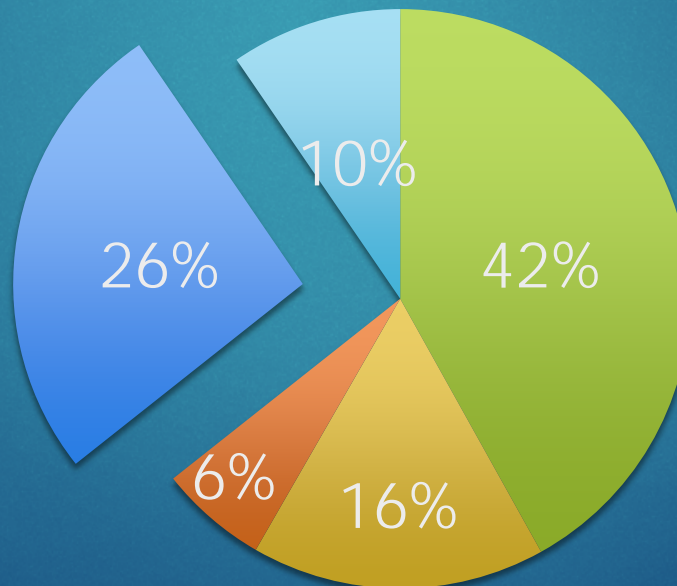
Historically, passengers have expressed a preference for fare increases in lieu of service cuts.

■ State ■ Federal ■ Other ■ Fares ■ Levy

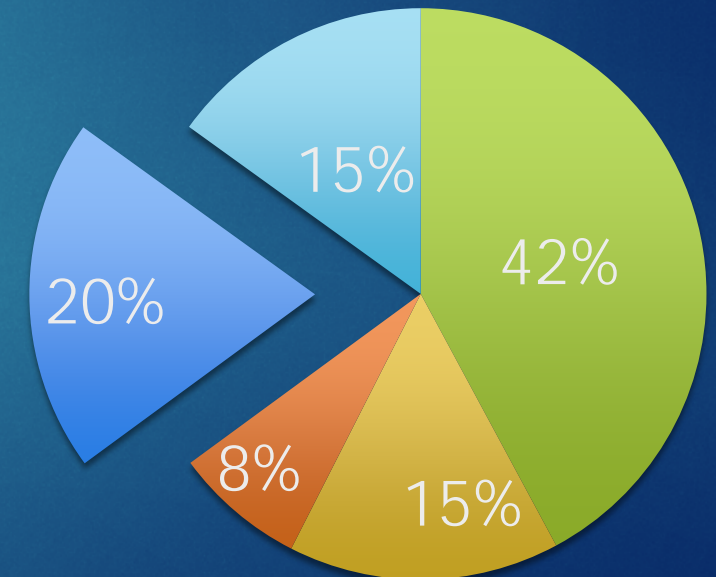
2008 Actual



2012 Actual



2016 Projected



2017 Proposed Fare Increases

\$1.2 Million in revenues are projected from the fare increases listed below that will become effective on 1/1/17 if approved. This will help MCTS return to the historical level of 30% of passenger fares covering fixed route expenses.

FARE NAME	CURRENT FARE	PROPOSED FARE	COMMENT
<u>Cash Fares</u>			
Premium	\$3.25	\$3.50	25 cent increase. Allows \$7 Summerfest cash fare
<u>Advance Purchase Fares</u>			
Premium Stored Value	\$2.35	\$2.50	15 cent increase
<u>Pass Fares</u>			
7-Day Adult Pass	\$17.50	\$19.50	\$2 increase
7-Day Premium Pass	\$24.00	\$27.00	\$3 increase
31-Day Adult Pass	\$64.00	\$72.00	\$8 increase
31-Day Premium Pass	\$85.00	\$96.00	\$11 increase
<u>Other Special Fares</u>			
Commuter Value Pass	\$201.00	\$220.00	\$19 increase per quarter (3 months)

Proposed GO Pass Changes

Continuation of the GO Pass program **without any modifications** was projected to impact passenger revenues by at least **\$4.4 million in 2017**.

The following modifications will lessen its fiscal impact:

- ▶ A fiscal means test (low-income requirement) is added and qualifying participants will be required to share in costs.
- ▶ \$1.1 Million in passenger revenues are projected to be provided by GO Pass program
 - ▶ **\$100,000** for card issuance fees (based on \$5/card fee for 20,000 cards)
 - ▶ **\$1 million** in passenger revenue (based on eligibility requirements and means testing)

The proposed budget language supports a workgroup approach to finalizing a plan to implement changes in eligibility that minimize impacts on GO Pass holders.

(The proposed work group would consist of MCTS, DOT, DHHS, Dept. on Aging, DAS, County Board, GO Pass users, and advocacy groups for seniors and persons with disabilities)

What if GO Pass was discontinued?



- ▶ FTA requires transit systems to offer a reduced fare during non-peak periods for seniors and persons with disabilities (e.g. the GO Pass population)
- ▶ Historically, MCTS has offered the half-fare (\$1.10) during all times of the day. Without GO Pass, revenues from these fares would be about **\$3.3 Million** in 2017.
- ▶ The budget proposed changes to GO Pass that are projected to raise **\$1.1 Million**
- ▶ Eliminating GO Pass could return an additional **\$2.2 Million** in passenger revenue.

Is transit seeking to be efficient?

- ▶ Historically, MCTS used automatic passenger counters (APCs) to take passenger ridership samples four (4) times each year. The counters are on 10% of buses. These buses are assigned to different routes each day to **ensure complete sampling and recording of ridership** on each trip operated by MCTS.
- ▶ Now, MCTS is also **increasingly using the fare collection system to monitor ridership** on individual routes.
- ▶ Transit planners review ridership data and farebox information routinely for trends. **Changes that can reduce costs, increase ridership, or both, are pursued.**
- ▶ Planners also **track economic development activity in the county** and focus on revising bus schedules to better accommodate areas with increasing employment.
- ▶ These efforts have enabled transit to **minimize major transit route changes** in the past few years while developing annual budget proposals.

What if we eliminated late night buses?



Late night represents 14% of all service. **Cutting it would mean laying off about 75 MCTS bus operators.**

If late night service was eliminated, **MCTS would still need to maintain the current fleet size to meet peak demand.**

3 Million passengers use these buses, many to get to & from 2nd and 3rd shift work. Cutting these trips would limit access to jobs.

Savings could be as much as \$20M, but an anticipated drop in overall rides would mean a net gain of only \$14M*.

*\$10 Million in 2017

Can we get more grants?

- Discretionary Grants are becoming increasingly scarce; the FTA's 5339 Bus & Bus Facilities Grant is a good example:
 - In 2016, FTA awarded \$211 million in Federal 5339 Program funds – **only \$26,400 went to Wisconsin** (enough to buy one mini-van).
 - FTA received **484 grant applications** seeking \$1.65 Billion.
- Milwaukee County DOT applied for three major maintenance projects (\$7.1 Million total project costs):
 - HVAC Replacement at the KK Garage (\$2.0 million project)
 - Roof Replacement at the Fond du Lac Garage (\$2.7 million project)
 - Roof Replacement at the KK Garage (\$2.4 million project)
- **\$0 was awarded**



One time grant funds used for bus replacement

2010 American Recovery and Reinvestment Act Grant - **\$16M**

2011 Surface Transportation Program (STP) Grant - **\$10M**

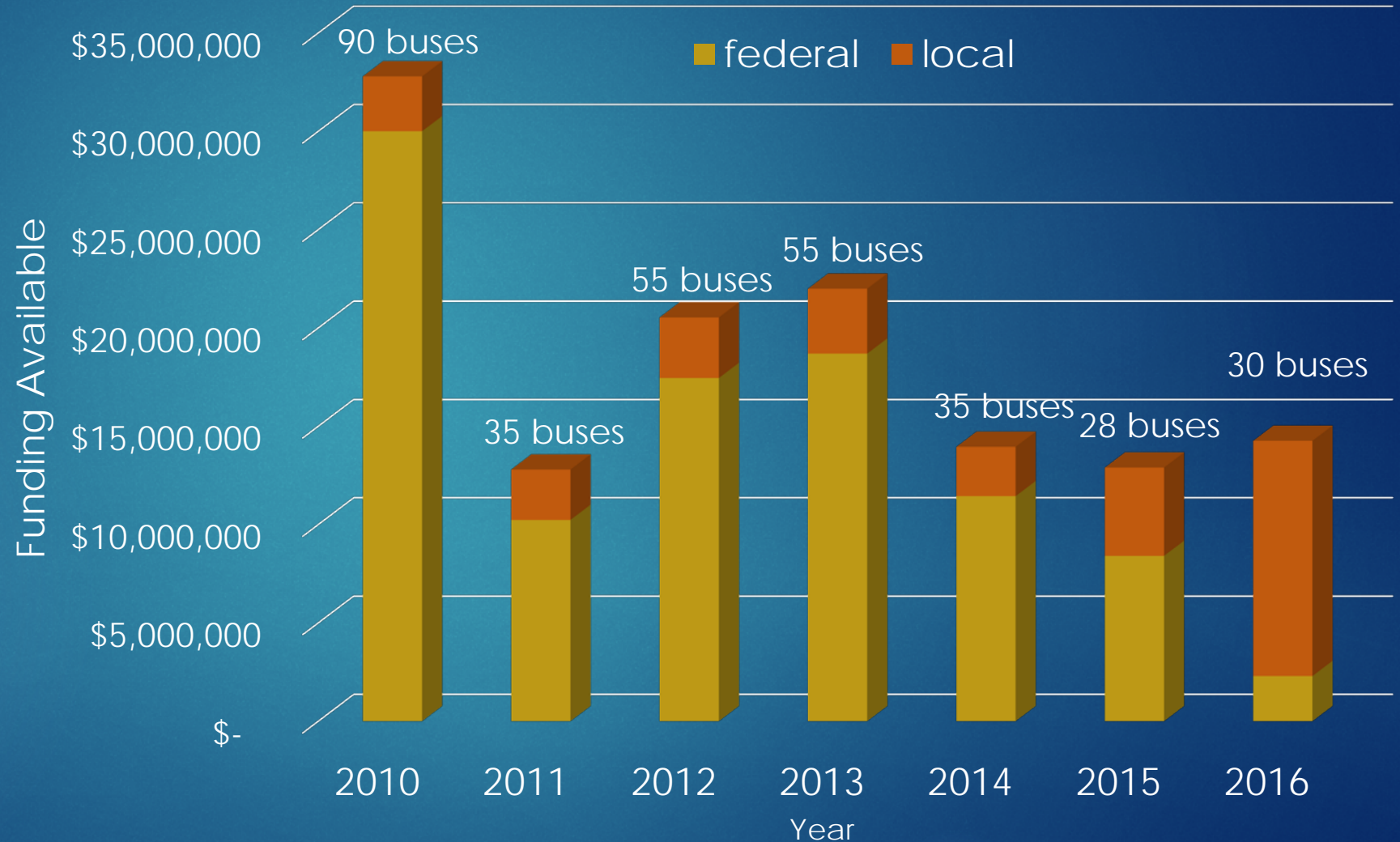
2012 and **2013** Interstate Cost Estimate (ICE) Grants - **\$17M** & **\$18M**, respectively

2014 State of Good Repair (SGR) Grant - **\$11M**

2015 Congestion Mitigation and Air Quality (CMAQ) - **\$5.4M**

2016 No One-time Grant \$

Fluctuation in Available Funding for Buses



Grants are often temporary solutions

Grants have been used in the past to support transit operations, but these grants are usually 'one-time' or temporary budget fixes.

- ▶ In 2017, Routes 6 and 61 will continue to be fully funded with Zoo Interchange litigation funds, **but, these funds (about \$2.6M annually) are projected to expire at the end of 2018.**
- ▶ Congestion Mitigation and Air Quality (CMAQ) improvement Program monies have supported MCTS for four years.
 - ▶ CMAQ funding in **2017 decreases \$1.7 million** from \$5.7 million to \$4.0 million. Reducing CMAQ revenue leaves an estimated reserve funding of \$2.4 million for 2018 with the goal of continuing these routes.
 - ▶ Milwaukee County has been awarded additional CMAQ funds of \$4.8 million to cover 2019 and 2020. It was the **gap of a year in funding (2018) that resulted in the scaling back of CMAQ monies for 2017.**
 - ▶ The CMAQ strategy is helpful, but also points directly at a need for \$1.6 million in additional funding for budget year 2018.

Fiscal Pressure on 2018 Budget

- ▶ Other future fiscal pressure, in addition to a decrease in CMAQ funding includes:
 - ▶ Bus Replacement will continue to be difficult; when buses are taken out of service they are 12+ years old with about 570,000 miles on them.
 - ▶ Facility and Equipment improvements will continue to be difficult; in the long-run repairs that last a few years are costing the County more than replacement of a leaky roof, or failing HVAC system.
 - ▶ Operating Costs will continue to increase: Fuel will be more expensive, Wages will increase per labor agreements, benefit costs increase with inflation and are dependent upon market/investments.
 - ▶ State and Federal support of transit has been flat. In 2016, we receive less state support than we did in 2009.
 - ▶ There will be fiscal pressure to increase fares and eliminate low productivity transit services.
 - ▶ Even with modifications, the effects GO Pass program will need to be monitored.