

**COUNTY OF MILWAUKEE**

**INTER-OFFICE COMMUNICATION**

DATE: December 23, 2011

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

FROM: Frank Busalacchi, Acting Director, Department of Transportation

SUBJECT: Transit Vehicle Replacement Funding

**POLICY**

This report is in response to a request for information from the December 2011 cycle.

**BACKGROUND**

At the December 2011 Transportation, Public Works and Transit Meeting, a request was made to provide the committee with information regarding recent bus procurement activity and funding sources used. In addition, the committee requested information regarding future vehicle procurement needs. Milwaukee County has used a variety of federal funding sources to assist in the procurement of transit vehicles. The following table shows the number of vehicles replaced, or to be replaced, with federal grant funds received:

<b>Year Purchased</b>	<b>Number of Buses</b>	<b>Federal Funding Source</b>	<b>Federal Share</b>	<b>Local Share</b>
2010	45	ARRA	100%	0%
2010	31	5307 formula	83%	17%
2010	14	State of Good Repair	83%	17%
2011	35	STP	80%	20%
2012	55	ICE	85%	15%
2013	55	ICE	85%	15%
2014	26	State of Good Repair	83%	17%

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**Federal Funding Sources**

Section 5307 funds are received annually based on a formula established for the Milwaukee Urbanized Area. These funds have largely been used to offset vehicle maintenance activities in recent years; however, these funds are available for vehicle purchasing. Surface Transportation Program (STP) funds were allocated to the

Connector project in 2002 for future capital needs of that transit program. In 2010, the department requested these funds be moved so that they could be used for transit vehicle purchasing.

State of Good Repair is a recent program that was initiated in 2010 to address aging capital needs. It is an annual competitive program so dollar amounts are unpredictable from year to year.

### **Vehicle Replacement Need**

Federal law establishes that the useful life for 40-foot transit vehicles is 12 years or 500,000 miles. Currently, there are 416 active buses in the transit fleet. The following table illustrates the number of buses in the fleet, the year the buses were delivered, the age of the buses in year 2012, the current mileage, and when the buses will reach their 12-year life cycle.

<u>Bus Series</u>	<u>Active Bus Count</u>	<u>Year Delivered</u>	<u>Age in Year 2012</u>	<u>Average Mileage as of 12/20/11</u>
4300	69	2000	12	494,955
4400	69	2001	11	478,794
4500	8	2002	10	312,902
4600	39	2002	10	456,611
4700	51	2003	9	428,187
4800	30	2004	8	379,012
4900	15	2005	7	341,445
5000	9	2006	6	299,170
5100	90	2010	2	60,091
5200	35	2011	1	28,303
Total	416			
Average			7.6	327,947

The next table reflects the current bus replacement plan through year 2019. The table shows the fleet size assuming service levels remain constant, how many buses need to be replaced each year, how many buses are actually projected to be replaced each year, and what the future bus replacement needs are expected to be.

MCTS Bus Replacement Plan as of December 20, 2012

	2012	2013	2014	2015	2016	2017	2018	2019
Number of Buses in Fleet	416	416	416	416	416	416	416	416
Buses Reaching 12 Year Life Cycle	75	69	47	51	30	15	9	0
Number of Buses Replaced	55	55	26	35	35	35	35	23
Buses Aging Beyond 12 Years	20	34	56	72	67	47	23	0

**RECOMMENDATION**

This report is for information purposes.

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Approved by:

Frank Busalacchi, Acting Director, Department of Transportation

Cc: Chris Abele, Milwaukee County Executive

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