

**MILWAUKEE COUNTY OFFICE  
OF CORPORATION COUNSEL**

Milwaukee County Courthouse  
901 N. 9<sup>th</sup> Street, Room 303  
Milwaukee, WI 53233  
Telephone: 414-278-4300  
FAX: 414-223-1249



SCOTT F. BROWN  
Corporation Counsel

WILLIAM G. DAVIDSON  
JENNIFER K. RHODES  
MELINDA S. LAWRENCE  
Deputy Corporation Counsel

ALAN M. POLAN  
DALE R. NIKOLAY  
NELSON W. PHILLIPS III  
JUDD H. TABACK  
RACHEL L. EBERT  
JAMES G. DAVIES  
ABIGAIL BLUETT  
JONATHAN T. BECK  
ANYA R. BRADLEY  
JENNIFER L. PICKETT  
JACOB A. HALLER  
ISEAH HURTADO  
Assistant Corporation Counsel

RHONDA L. DUNLAP  
Senior Office Coordinator

**INTEROFFICE COMMUNICATION**

**DATE:** February 13, 2026

**TO:** Marcelia Nicholson-Bovell, Chairwoman, Milwaukee County Board of Supervisors

**FROM:** Scott F. Brown, Corporation Counsel, Office of Corporation Counsel  
William G. Davidson, Deputy Corporation Counsel, Office of Corporation Counsel

**SUBJECT:** 2026 Budget Amendment Referral concerning Milwaukee Transport Services, Inc.

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**REQUEST**

Pursuant to Amendment No. 2 to the 2026 Adopted Budget, the Office of Corporation Counsel (OCC), having collaborated with Milwaukee County Department of Transportation and transit officials, respectfully submits this report describing the governance structure of Milwaukee Transport Services, Inc. (MTS).

**Background**

As the [MCTS website](#) describes, “[MCTS] is operated by [MTS], a quasi-governmental instrumentality of Milwaukee County that is responsible for the management and operation of the [Milwaukee County] transit system. The MTS Board of Directors manages business and affairs with policy oversight by Milwaukee County.” This has been true since 2014 when MTS reorganized its corporate structure to begin operating as a quasi-governmental entity and instrumentality of Milwaukee County to ensure Milwaukee County could maintain its transit service without interruption consistent with Federal Transportation Administration (FTA) regulations.

Prior to its restructuring in 2014, MTS operated Milwaukee County’s transit and paratransit services pursuant to a contract Milwaukee County awarded to MTS in 2009 following a competitive bidding process. That most recent contract was for five years and expired at the end of 2014. Following a challenging RFP process during which no subsequent award was made to ensure the continuation of services beyond 2014, the Milwaukee County Board directed the Office of Corporation Counsel prepare materials to facilitate the restructuring of MTS from an

independent, non-profit corporation into a quasi-governmental entity.<sup>1</sup> This restructuring was necessary to ensure the uninterrupted operation of Milwaukee County's transit services because such services were (and are still) heavily regulated by the Federal Transportation Administration. Among its regulations, FTA requires operators of public transit systems, including Milwaukee County, to operate such transit systems directly, through an independent contractor selected following a competitive bidding process, or—as was determined appropriate here—on a pass-through basis via a quasi-governmental entity if the transit system is to receive federal funds, which represented then and remain now a significant funding source for Milwaukee County's transit system.<sup>2</sup>

Since its 2014 restructuring, MTS has continuously operated the Milwaukee County Transit System (MCTS) as a quasi-governmental entity or instrumentality of Milwaukee County officially recognized as such by the FTA and is [registered](#) with the Wisconsin Department of Financial Institutions as a non-stock corporation in good standing.

### **MTS Governance Today**

Today, MTS remains a quasi-governmental entity and instrumentality of Milwaukee County which exists for the purpose of “managing and operating a public transportation system for Milwaukee County.”<sup>3</sup> Through its Amended and Restated Bylaws, MTS expressly delegates to Milwaukee County the authority and responsibility for determining MTS policy and providing general oversight of its operations. Specifically, Milwaukee County is entitled or obligated to:

- Exercise the powers enumerated in Section 59.58(3) of the Wisconsin Statutes;
- Exercise the powers related to transit matters enumerated in the Milwaukee County Code of General Ordinances;
- Monitor the compliance of [MTS] with its budget; and
- Review all records the Board of Supervisors of Milwaukee County or the Milwaukee County Executive may deem necessary to assess [MTS]'s performance.

To aid Milwaukee County in exercising its oversight responsibilities, MTS must provide to Milwaukee County an annual report “outlining the operations of [MTS] in the preceding fiscal year.”

In addition to Milwaukee County's general responsibilities overseeing MTS's policy and operations, the Bylaws provide that “the business and affairs of [MTS] shall be managed by [a] Board of Directors,” comprised of five directors, one of whom “shall be a member of the Milwaukee County Board of Supervisors and shall be appointed . . . by the Chair of the Board of Supervisors.”<sup>4</sup> The remaining four directors are not similarly appointed but rather assume their roles on the Board of Directors by virtue of their roles within Milwaukee County and at MTS. These four directorships

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<sup>1</sup> See [Milwaukee County Board File No. 14-312](#).

<sup>2</sup> See [Milwaukee County Board File No. 14-744](#).

<sup>3</sup> See Attachment A (Amended and Restated Articles of Incorporation of Milwaukee Transport Services, Inc. dated December 4, 2014) and Attachment B (Amended and Restated Bylaws of Milwaukee Transport Services, Inc. dated December 4, 2014).

<sup>4</sup> Milwaukee County Board Supervisor Steven Shea presently serves as the Milwaukee County Board Chairwoman's appointee to the MTS board.

are held by whomever is employed as the Milwaukee County Director of Transportation, the Director of Administration of the Milwaukee County Department of Transportation, the Fiscal and Budget Administrator of the Milwaukee County Department of Transportation, and the President of MTS.<sup>5</sup>

While Milwaukee County and the MTS Board of Directors retain responsibility for policy directives and general oversight, the MTS President serves also as the chief executive for Milwaukee County's transit system. In this role, the MTS President, supported by a leadership team and other MTS employees, including bus operators, mechanics, and myriad other staff, is responsible for day-to-day management and executive functions of the transit system itself. In short, Milwaukee County retains oversight with regard to policy and budget issues, while the MTS Board manages business affairs, and the MTS President oversees day-to-day transit operations.

### **VIRTUAL MEETING INVITATIONS**

[Scott.Brown@milwaukeecountywi.gov](mailto:Scott.Brown@milwaukeecountywi.gov)

[Joseph.Lamers@milwaukeecountywi.gov](mailto:Joseph.Lamers@milwaukeecountywi.gov)

[John.Rodgers@milwaukeecountywi.gov](mailto:John.Rodgers@milwaukeecountywi.gov)

[sfuentes@mcts.org](mailto:sfuentes@mcts.org)

### **ATTACHMENTS**

Attachment A (Amended and Restated Articles of Incorporation of Milwaukee County Transport Services, Inc., dated December 4, 2014)

Attachment B (Amended and Restated Bylaws of Milwaukee County Transport, Inc., dated December 4, 2014)

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<sup>5</sup> These roles are presently held by Joseph Lamers, John Rodgers, Michael Bickerstaff, and Steve Fuentes, respectively.