

County of Milwaukee
Interoffice Communication

DATE: 2/12/2018
TO: Michael Mayo, Sr., Chair, Transportation, Public Works & Transit Committee
FROM: James Martin, Interim Director, Department of Transportation
SUBJECT: Informational Report regarding the Funding Sources for the Department of Transportation 2018 Adopted Budget

BACKGROUND

During the discussion of File #17-790 at the January 2018 meeting of the Transportation, Public Works & Transit Committee, the chair requested a report outlining the funding sources for the various Department of Transportation Divisions and Capital Projects. Below is a summary of 2018 budgeted funding sources, and more detailed tables can be found in the appendices.

Airport Division

Operating Budget

County airport operations are funded by airport users, including airlines, concessionaires, tenants, and the flying public. Of the airport total budgeted operating revenues of \$88,301,186, user fees (airline user fees consisting primarily of landing fees, apron fees, and common use charges like the baggage handling system as well as passenger facility charges assessed to the flying public) make up 38.2%. Parking-related revenue is 33.9%, while concessions and rent from tenants account for 19.6% and 10.3%, respectively. Security charges 2.8%, charges to MCDOT Divisions 0.5%, and miscellaneous revenue (primarily interest from fund balance, sales of old equipment, and scrap sales) contribute 0.4%. Federal reimbursement for law enforcement services provides 0.2%. A portion of parking and concession revenue is eligible to be transferred to the airport reserve accounts, which results in a 5.9% revenue reduction as shown in the appendices.

Capital Budget

Federal and state funding eligibility for airport capital projects is determined by the type of project. Eligible projects are typically funded at a ratio of 75% / 12.5% / 12.5% between federal, state, and county (as airport local). General aviation airports like Milwaukee's Timmerman Airport typically receive 90% / 5% / 5%. The remaining capital projects are funded by local airport sources consisting of airport reserves, passenger facility charges, and bonding. The approved 2018 airport capital project costs of \$38,829,578 are funded as follows: federal 15.9% / state 2.5% / and county (airport local) 81.6%.

Highway Maintenance

Operating Budget

Highway maintenance total operating revenues of \$21,300,152 are provided primarily by state reimbursement totaling \$20,102,879, which is approximately 94%. The County maintains interstates and state trunk highways at the direction of the State under various contracts with the Wisconsin Department of Transportation (WisDOT) including: Routine Maintenance Agreement, Discretionary Maintenance Agreement, and Local Force Account. WisDOT fully reimburses the County for the costs of maintaining

the State controlled roads. The State also provides funding assistance in the form of General Transportation Aids to the County to help with the cost of maintaining and repairing county trunk highways. Additional funds for county trunks are provided by the vehicle registration fee in the amount of \$1,025,273 (5%), with the remaining 1% from other miscellaneous sources (mostly accident damage reimbursement and sales of scrap metal left on the roadways).

Capital Budget

Highway capital projects are funded by federal, state, and local sources totaling \$10,418,000. Federal funding is \$4,280,000 (41.1%) and comes from the Surface Transportation Program for urban areas. The state Local Road Improvement Program provides \$1,349,000 (12.9%) via the County Highway Improvement Program (CHIP) component, and local municipalities taking part in some projects contribute an additional \$109,000 (1.1%). The balance of project costs are covered by the county in the form of bonds totaling \$4,365,000 (41.9%) and Vehicle Registration Fee (VRF) revenue of \$315,000 (3.0%).

Transportation Services

Operating Budget

Transportation services provides engineering services for Highway capital projects. The majority of the Transportation Services operating budget revenue is derived from staff costs charged to capital projects for which they are providing design and support services. This amount is \$1,462,744 (80.4%). Depending on the particular project, the staff costs to a particular project may be funded by a mix of federal, state, and county funds such as bonds. Staff also perform other duties such as dealing with constituents or businesses impacted by capital projects that are not eligible to be charged to a project and thus must be covered by other funding. Tax levy of \$275,344 (15.2%) covers the majority of these activities. Additional revenue is provided by issuance of permits totaling \$75,000 (4.1%) and administration of the State LRIP program for the County and municipalities totaling \$6,000 (0.3%).

Fleet Management

Operating Budget

Fleet Management purchases and maintains vehicles for the county. The primary funding mechanism consists of internal charges to other county user departments to cover the costs of buying and maintaining their assigned vehicles. The charges are \$12,236,169 (99.2%). Some of the charges to other user departments are eligible for non-county revenue reimbursement, such as the portion of Fleet Management's costs charged to Highway Maintenance pertaining to equipment used in the maintenance of state roads. The remainder comes from auction revenue and scrap sales totaling \$90,000 (0.7%), as well as \$16,000 (0.1%) from the state in the form of fuel tax refunds for fuel used in off-road vehicles (mowers, loaders, etc.).

Capital Budget

Fleet capital is funded by a combination of bonding and sales tax. The sales tax proceeds of \$261,861 (2.4%) will cover software for a new fuel system and maintenance software system upgrades. Vehicles are purchased with bonds totaling \$10,788,382 (97.6%).

Transit

Operating Budget

Transit provides funding to the operator of the transit system, Milwaukee Transport Services – a quasi-government instrumentality, while maintaining ownership of the assets and infrastructure. The State provides funding of \$70,316,820 (44.3%) primarily through the Section 85.20 Urban mass transit operating assistance program, while federal funding totals \$21,748,187 (13.7%) mainly through the Federal Transit

Administration (FTA) Section 5307 formula grant. Local county support is comprised of VRF revenue of \$14,659,727 (9.2%) and tax levy of \$9,929,566 (6.3%). Fares paid by passengers utilizing the transit system total \$36,170,551 (22.8%). Contracted services and Managed Care reimbursements contribute \$5,761,364 (3.6%). Charges to other County departments and scrap sales are \$29,000 (less than 0.1%).

Capital Budget

Transit capital projects total \$14,002,468 for 2018. These projects are funded by the federal FTA Section 5339 program which provides \$2,649,085 (18.9%) and bonds totaling \$11,353,383 (81.1%).

Director's Office

Operating Budget

The Director's Office provides oversight and administration for all DOT Divisions. Non-county revenue of \$290,000 (19%) is provided through fees assessed as part of the freeway towing program, which the Director's Office administers by ordinance on behalf of the Office of the Sheriff. The remaining costs of \$1,210,512 (81%) are charged to the various DOT Divisions, some of which can capture non-county funding for these costs.

APPENDICES

Additional detail including a funding breakdown by individual capital project can be found in the attached appendices. It should be noted the mix of federal, state, and local funds for capital projects can vary from year to year depending upon the project type, project phase, eligible/available funding program, and costs that may be deemed ineligible/non-participating.

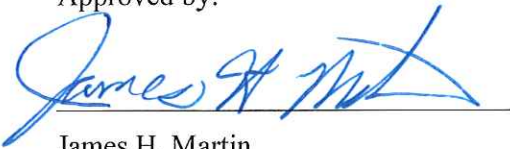
RECOMMENDATION

This report is for informational purposes only.

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Approved by:



James H. Martin
Interim Director, Department of Transportation

cc: Chris Abele, County Executive
Raisa Koltun, Chief of Staff, County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Jonathan Schatz, Budget Analyst, DAS PSB

Appendix A
2018 Operating and Capital Revenue Sources by Division

Airport Operating Revenue

	Amount	% of Total
Federal	\$190,000	0.2%
TSA reimb for Deputies	\$190,000	0.2%
State	\$20,000	0.0%
Airport "Local"	\$88,091,186	99.8%
Airport User Fees	\$33,756,889	38.2%
Concessions	\$17,320,600	19.6%
Contributions to Reserves	(\$5,275,060)	(5.9%)
Charges to MCDOT Divisions	\$419,725	0.5%
Miscellaneous	\$359,900	0.4%
Parking	\$29,930,000	33.9%
Security	\$2,477,013	2.8%
Tenant Fees	\$9,102,119	10.3%
Total Operating Revenues	\$88,301,186	100%

Airport Capital Revenue

	Amount	% of Total
Federal	\$6,155,274	15.9%
State	\$977,051	2.5%
Airport "Local"	\$31,697,253	81.6%
Airport Reserves	\$12,213,001	31.5%
Passenger Facility Charges	\$4,484,252	11.5%
Airport Revenue Bonds	\$15,000,000	38.6%
Total Capital Revenues	\$38,829,578	100%

Appendix A
2018 Operating and Capital Revenue Sources by Division

Highway Maintenance Operating Revenue

	Amount	% of Total
Federal	\$0	0.0%
State	\$20,102,879	94.4%
Routine Maint Agreement	\$14,600,000	68.5%
Accident Damage	\$1,000,000	4.7%
Discretionary Maint Agreements	\$790,000	3.7%
Local Force Account agreements	\$15,000	0.1%
General Transportation Aid	\$2,392,600	11.3%
Performance Based Maint	\$1,305,279	6.1%
County	\$1,197,273	5.6%
Vehicle Registration Fee	\$1,025,273	4.8%
Permits	\$2,750	0.0%
Insurance/Accidents	\$97,000	0.5%
Bus pads, scrap metal, misc.	\$66,350	0.3%
Revenue from Municipalities	\$5,900	0.0%
Total Operating Revenues	\$21,300,152	100%

Highway Capital Revenue

	Amount	% of Total
Federal	\$4,280,000	41.1%
Surface Trans Prog -Urban	\$4,280,000	41.1%
State	\$1,349,000	12.9%
County Hwy Impr Prog (CHIP)	\$1,349,000	12.9%
Municipalities	\$109,000	1.1%
County	\$4,680,000	44.9%
Vehicle Registration Fee	\$315,000	3.0%
Bonds	\$4,365,000	41.9%
Total Capital Revenues	\$10,418,000	100%

Appendix A
2018 Operating and Capital Revenue Sources by Division

Transportation Services Operating Revenue

	Amount	% of Total
Federal	\$0	0.0%
State	\$6,000	0.3%
LRIP Administration	\$6,000	0.3%
County	\$1,813,088	99.7%
Charges to Capital Projects	\$1,462,744	80.4%
Permits	\$75,000	4.1%
Tax Levy	\$275,344	15.2%
Total Operating Revenues	\$1,819,088	100%

Fleet Operating Revenue

	Amount	% of Total
Federal	\$0	0.0%
State	\$16,000	0.1%
County	\$12,236,169	99.2%
Charges to other County Depts	\$12,236,169	99.2%
Other Revenues	\$90,000	0.7%
Auction Revenue	\$75,000	0.6%
Scrap sales & Misc.	\$15,000	0.1%
Total Operating Revenues	\$12,342,169	100%

Fleet Capital Revenue

	Amount	% of Total
County	\$11,050,243	100.0%
Bonds	\$10,788,382	97.6%
Sales Tax	\$261,861	2.4%
Total Capital Revenues	\$11,050,243	100%

Appendix A
2018 Operating and Capital Revenue Sources by Division

Transit Operating Revenue

	Amount	% of Total
<u>Federal</u>	<u>\$21,748,187</u>	<u>13.7%</u>
Section 5307 Grant	\$18,950,000	12.0%
CMAQ Grant for Express Routes	\$2,448,187	1.5%
CMAQ Grant for Marketing	\$200,000	0.1%
Homeland Security Grant	\$150,000	0.1%
<u>State</u>	<u>\$70,316,820</u>	<u>44.3%</u>
Section 85.20 Grant	\$64,193,900	40.4%
Section 85.205 Grant	\$1,395,332	0.9%
Section 85.21 Grant	\$1,507,588	1.0%
Zoo Litigation Contract	\$3,220,000	2.0%
<u>Passenger Fares</u>	<u>\$36,170,551</u>	<u>22.8%</u>
Fixed Route	\$34,157,848	21.5%
ParaTransit	\$2,012,703	1.3%
<u>Misc</u>	<u>\$29,000</u>	<u>0.1%</u>
Charges to other County Depts	\$9,000	0.0%
Scrap bus sales	\$20,000	0.1%
<u>Other Direct Revenues</u>	<u>\$5,761,364</u>	<u>3.6%</u>
Contracted Service / Advertising	\$3,725,531	2.3%
Managed Care Reimbursements	\$2,035,833	1.3%
<u>County Revenues</u>	<u>\$24,589,293</u>	<u>15.5%</u>
Vehicle Registration Fee	\$14,659,727	9.2%
Tax Levy	\$9,929,566	6.3%
<u>Total Operating Revenues</u>	<u>\$158,615,215</u>	<u>100%</u>

Transit Capital Revenue

	Amount	% of Total
<u>Federal</u>	<u>\$2,649,085</u>	<u>18.9%</u>
<u>County</u>	<u>\$11,353,383</u>	<u>81.1%</u>
Bonds	\$11,353,383	81.1%
<u>Total Capital Revenues</u>	<u>\$14,002,468</u>	<u>100%</u>

Appendix A
2018 Operating and Capital Revenue Sources by Division

Director's Office Operating Revenue

	Amount	% of Total
<u>Federal</u>	<u>\$0</u>	<u>0.0%</u>
<u>State</u>	<u>\$0</u>	<u>0.0%</u>
<u>County</u>	<u>\$1,210,512</u>	<u>80.7%</u>
Charges to MCDOT Divisions	\$1,210,512	80.7%
<u>Other Revenue</u>	<u>\$290,000</u>	<u>19.3%</u>
Towing Fees	\$290,000	19.3%
<u>Total Operating Revenues</u>	<u>\$1,500,512</u>	<u>100%</u>

Appendix B
2018 Capital Revenue Sources by Division and Project

Project	Project Name	Federal		State		Airport "Local" Funding			Total
						Reserves / PFC	Airport Rev Bonds		
WA22101	GMIA International Terminal Redevelopment					PFC		7.9%	
WA24001	LJT Security-Wildlife Prmtr Fencing-2018	AIP Block Grant	231,914	State share	12,884	Reserves: ADF	2,000,000	32.5%	15,000,000
WA24301	GMIA Replacement Jet Bridges-2018					Reserves: CIRA	8,198,191	5.0%	
WA24501	GMIA Airfield Safety Imprvmnt-2018	AIP	362,419	State share	60,403	PFC	12,884	100.0%	
WA24601	GMIA Airfield Pavement Rplcmnt-2018	AIP	1,756,276	State share	292,713	PFC	1,545,318	12.5%	
WA24701	GMIA Deicer Pads (19R)-2018	AIP	3,357,670	State share	559,612	PFC	60,402	12.5%	
WA24801	LJT Pavement Replacement-2018	AIP Block Grant	207,541	State share	11,530	PFC	292,712	12.5%	
WA25101	GMIA Airfield Drainage Improvements-2018 (Study)	AIP	82,203	State share	13,700	Reserves: CIRA	559,611	12.5%	
WA25201	GMIA MKE Business Park Electrical Infrastructure					Reserves: ADF	11,530	5.0%	
WA25301	GMIA Operations Control Center	AIP	157,251	State share	26,209	Reserves: ADF-D	13,700	12.5%	
WA25401	GMIA Parking Lot Pavement Replacement-2018					PFC	2,815,004	100.0%	
WA26001	GMIA Parking Structure Repairs-2018					Reserves: ADF	26,209	100.0%	
	Airport Totals		6,155,274		977,051	Reserves: ADF 88%	16,697,253	43.0%	15,000,000
						Reserves: CIRA 12%		38.6%	900,272
									38,829,578

Appendix B
2018 Capital Revenue Sources by Division and Project

Project	Project Name	Federal		State		Local		County Funding			Total			
		Program	Amount	%	Program	Amount	%	Program	Amount	%		Sales Tax	VRF	Bonds
WH01006	Reconstruct CTH "Y" Layton Avenue 27th to 43rd	STP-Urban	320,000	76.2%								100,000	23.8%	420,000
WH01008	Reconstruct CTH "N" South 92nd Street	STP-Urban	3,960,000	79.2%								275,000	100.0%	275,000
WH01016	Reconst. 13th: Drexel to Rawson											1,040,000	20.8%	5,000,000
WH02019	N Teutonia Ave. (W. Good Hope to W. Bradley)				CHIP	1,349,000	30.6%	Muni	109,000	2.5%		2,950,000	66.9%	4,408,000
WH09401	W Rawson Ave Int w/ 10th St. & 6th St. (Alloc Contingency)**													
WH10901	Signal Install at W. Good Hope Rd. & Pierron													
WT07701	Highway Totals		4,280,000	41.1%		1,349,000	12.9%		109,000	1.1%	0	315,000	100.0%	315,000
WT10401	FDL Garage Roof Replacement								315,000	3.0%				10,418,000
	Bus Replacement Program-2018	Section 5339	2,649,085	19.6%										502,468
	Transit Totals		2,649,085	18.9%		0			0		0			13,500,000
WO17501	Fleet Central Garage Roof Replacement													2,838,064
WO19801	Fuel Transaction Software										261,861	100.0%		261,861
WO31101	Fleet General Equipment-2018											3,233,486	100.0%	3,233,486
WO31201	Sheriff Fleet Equipment-2018											1,000,000	100.0%	1,000,000
WO31301	House of Correction Fleet Equipment-2018													
WO31401	Fleet Parks Equipment-2018											141,000	100.0%	141,000
	Fleet Totals		0			0			0		261,861	2.4%		3,575,832
	Non-Airport Totals		6,929,085	19.6%		1,349,000	3.8%		109,000	0.3%	0.7%	315,000	0.9%	26,506,765
											261,861	0.7%		11,050,243
														35,470,711

**A fund transfer request was submitted for project WH09401 construction phase for the March 2018 cycle. This would be comprised of:
 \$692,500 Federal - HSIP program (57.7%)
 \$507,500 County - Allocated Contingency (42.3%)