

MCTS Financial Outlook (FY 2025)



**MILWAUKEE COUNTY
TRANSIT SYSTEM**



6401

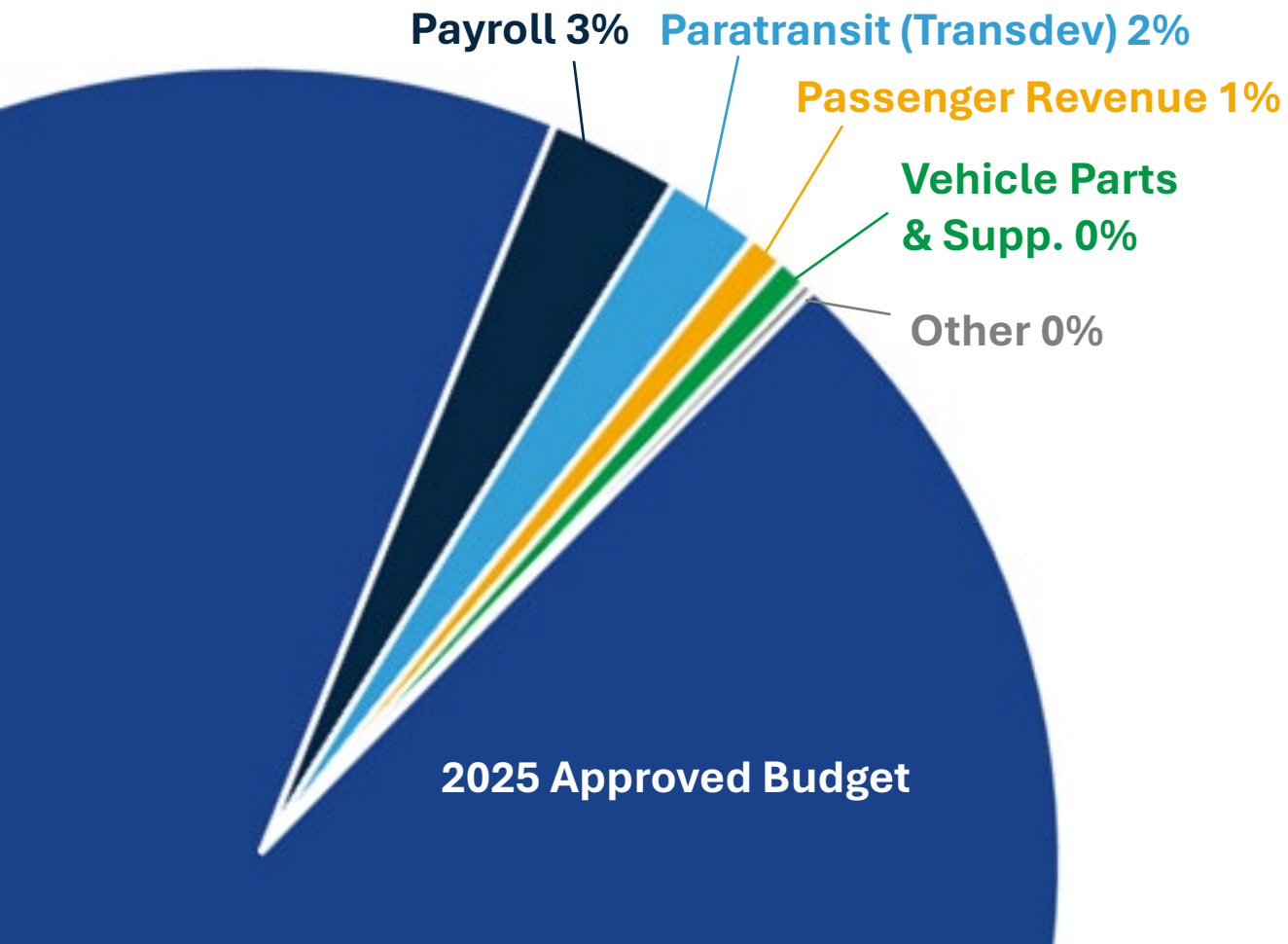
RideMCTS

LOUPE 683030



**MILWAUKEE COUNTY
TRANSIT SYSTEM**

Projection: Over budget by 6% (\$10.9M) in FY-2025



- **\$4.7M impact:** Wages & Fringe benefits trending 4% higher than budgeted
 - \$1.4M Excessive overtime
 - \$1.6M Health care, pension, payroll taxes & other benefits costs
- **\$3.4M impact:** Transdev (Paratransit) is not meeting the contracted productivity target.
- **\$1.4M impact:** Passenger revenue is trending 5% lower than budgeted
- **\$1M impact:** Vehicle Parts & Supplies trending 6% higher than budgeted
- **\$0.6M impact:** Others including injuries, damages and liability

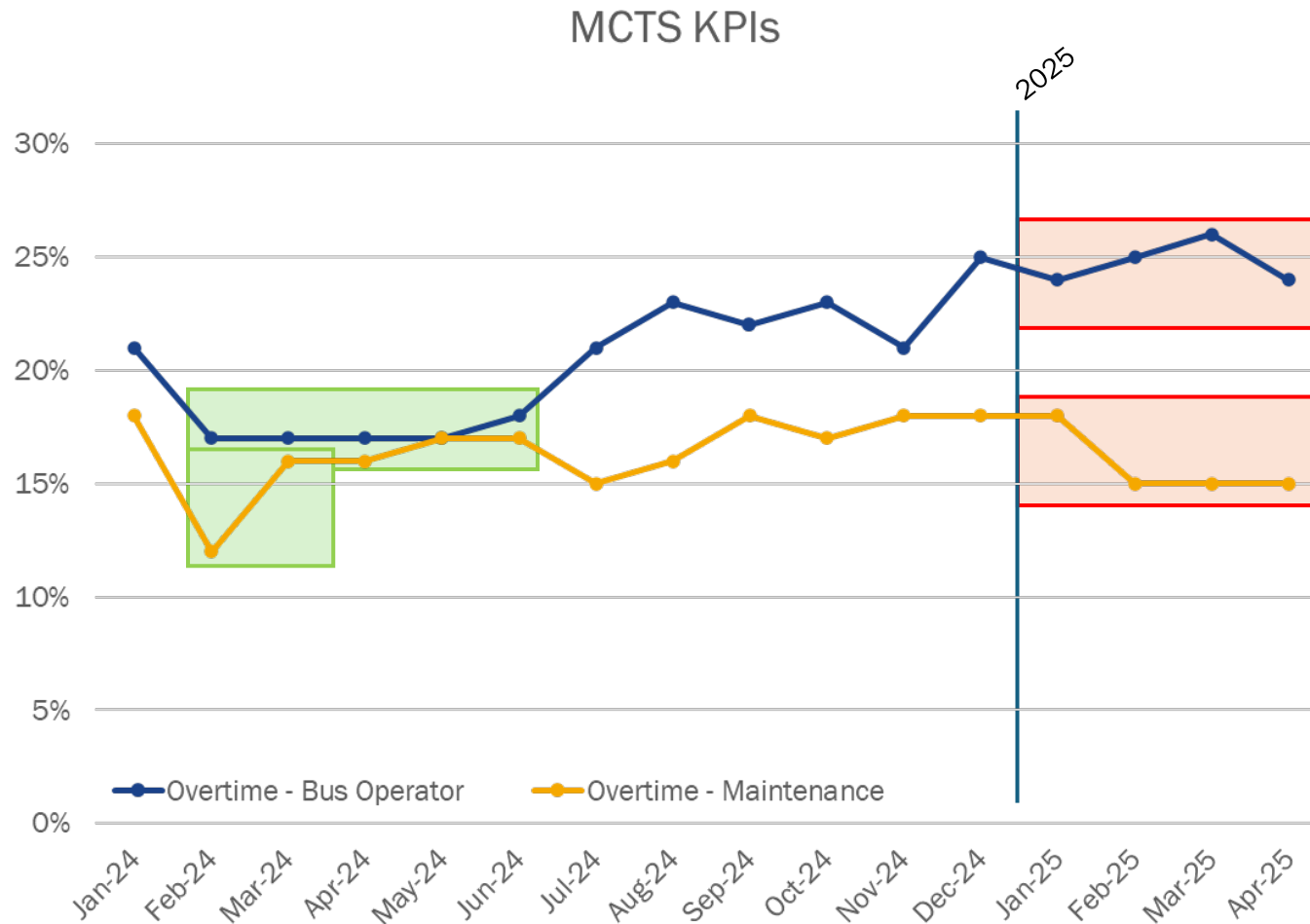
2025 Projected Deficit

\$10.9 million based on Jan – Apr Data

| | Projected Annual | Annual Budget | Diff (Over) Under | % Over Budget |
|---------------------------------------|------------------|---------------|-------------------|---------------|
| Revenues | | | | |
| Passenger Fares | 25,462,059 | 26,888,175 | 1,426,116 | -5% |
| Auxiliary Transportation Funds | 1,265,449 | 1,252,000 | (13,449) | 1% |
| Other Agency Revenues | 180,172 | 130,750 | (49,422) | 38% |
| Revenue from Purchased Transportation | 1,376,381 | 1,333,118 | (43,263) | 3% |
| Total Recoveries | 358,387 | 420,000 | 61,613 | -15% |
| Government Public Funding | 147,489,1098 | 136,581,724 | (10,907,384) | 8% |
| | | | | |
| Wages | 85,900,119 | 82,260,388 | (3,639,731) | 4% |
| Fringe Benefits | 31,943,256 | 30,858,793 | (1,084,463) | 4% |
| Services | 8,862,910 | 8,899,823 | 36,913 | 0% |
| Materials & Supplies | 19,063,795 | 18,008,805 | (1,054,990) | 6% |
| Utilities | 2,370,159 | 2,388,121 | 17,962 | -1% |
| Causality & Liability Costs | 4,633,336 | 4,079,467 | (553,869) | 14% |
| Taxes | 3,493 | 5,000 | 1,507 | -30% |
| Miscellaneous Expenses | 161,508 | 284,642 | 123,134 | -43% |
| Purchased Transportation Expenses | 23,192,979 | 19,820,728 | (3,372,251) | 17% |
| | | | | |
| Total Revenue from Operations | 28,642,447 | 30,024,043 | 1,381,596 | -5% |
| Total Public Funding | 147,489,108 | 136,581,724 | (10,907,384) | 8% |
| Total Expenses | 176,131,555 | 166,605,767 | (9,525,788) | 6% |



Increasing Overtime Costs – Year-Over-Year



- \$1.4M Excessive overtime

| Overtime Cost | Actual FY 2024 | Projected FY 2025 | Total |
|---------------|----------------|-------------------|-------|
| Operators | \$10,992,076 | \$12,440,765 | 13% |
| Maintenance | \$2,177,837 | \$2,115,983 | -3% |
| Total | \$13,278,369 | \$14,646,379 | 10% |

Weekly Example of Excessive Overtime

| Total Work Hours | Total OT | OT by Law | MCTS / ATU Contracted OT |
|------------------|----------|-----------|--------------------------|
| 35.1 | 27.1 | 0.0 | 27.1 |
| 41.0 | 25.0 | 1.0 | 24.0 |
| 42.8 | 26.8 | 0.0 | 24.0 |
| 39.8 | 23.8 | 0.0 | 23.8 |
| 30.9 | 22.9 | 0.0 | 22.9 |
| 38.3 | 22.3 | 0.0 | 22.3 |
| 37.0 | 21.0 | 0.0 | 21.0 |
| 28.6 | 20.6 | 0.0 | 20.6 |
| 35.3 | 19.3 | 0.0 | 19.3 |
| 44.7 | 23.7 | 4.7 | 19.0 |
| 39.3 | 16.5 | 0.0 | 16.5 |
| 42.0 | 18.0 | 2.0 | 16.0 |
| 53.8 | 29.8 | 13.8 | 16.0 |
| 42.0 | 18.0 | 2.0 | 16.0 |
| 48.8 | 24.8 | 8.8 | 16.0 |
| 46.2 | 22.2 | 6.2 | 16.0 |
| 50.6 | 26.6 | 10.6 | 16.0 |
| 42.7 | 18.7 | 2.7 | 16.0 |
| 41.4 | 17.4 | 1.4 | 16.0 |
| 42.9 | 18.9 | 2.9 | 8.0 |

Multiple employees **regularly** accumulate many hours of overtime while working fewer than 40 hours per week

Paratransit (Transdev)

Projection based on Jan – Apr Data

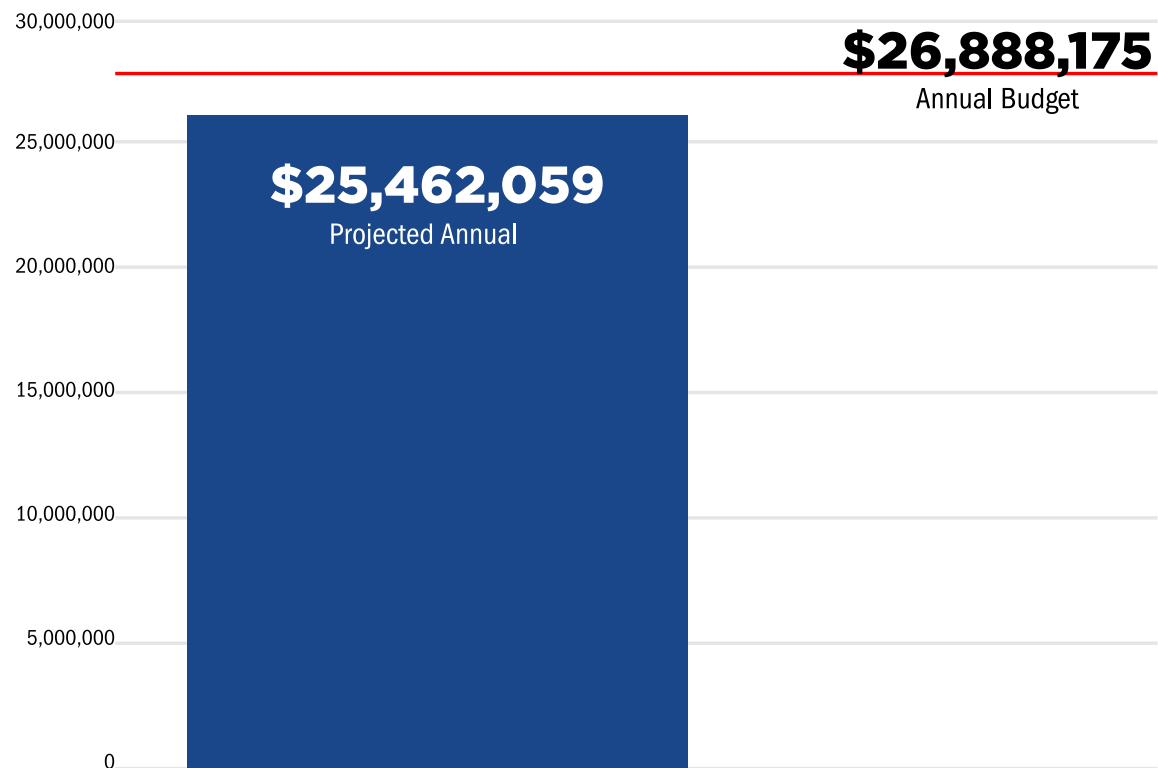
- Transdev is charging MCTS more as they are not meeting contract standards for efficiency
- MCTS contracted with Transdev to carry a minimum of 1.7 passengers per service hour
- YTD the efficiency standard average is about 1.43 passengers per service hour, averaging an **additional 5,000 to 6,000 more hours billed per month than budgeted**
- Previous vendors met similar efficiency standards



Passenger Revenue

Projection based on Jan – Apr Data

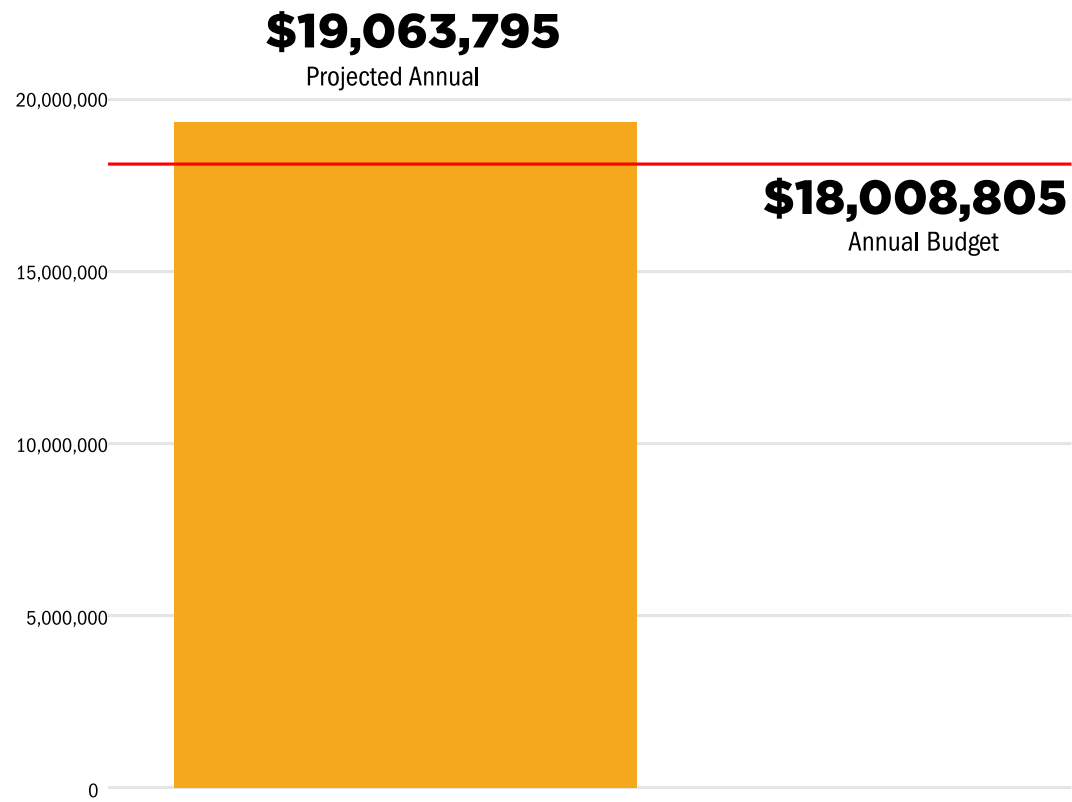
- **\$1.4M impact:** Passenger revenue is trending 5% lower than budgeted



Parts and Materials

Projection based on Jan – Apr Data

- **\$1M impact:** Vehicle Parts & Supplies trending 6% higher than budgeted





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