

COUNTY EXECUTIVE'S 2007 BUDGET

DEPT: TRANSIT/PARATRANSIT

UNIT NO. 5600
FUND: Enterprise - 0083

OPERATING AUTHORITY & PURPOSE

The Department of Public Works provides public transit services through the Milwaukee County Transit System. Direct management and operation of the transit system, including paratransit services, is provided by Milwaukee Transport Services, Inc., (MTS) a private nonprofit corporation under contract to the County. The corporation uses transit facilities and equipment owned and provided by Milwaukee County.

Paratransit operations include the provision of demand responsive transportation and orientation to transportation services. These services provide a

complement to the fixed-route services of MCTS and are available to those who are Americans with Disabilities Act (ADA) Paratransit eligible.

The Transportation Planning Division of the Department of Public Works provides County oversight as well as conducts various transit related studies, and prepares and administers federal and state transit grants. Divisional personnel also facilitate the acquisition of capital equipment, and provide design and construction services for capital facilities.

BUDGET SUMMARY				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Personal Services (w/o EFB)	\$ 0	\$ 0	\$ 0	\$ 0
Employee Fringe Benefits (EFB)	0	0	0	0
Services	441,420	551,072	339,593	(211,479)
Commodities	418,469	490,000	490,000	0
Transit Operations	122,426,519	126,096,638	132,714,898	6,618,260
Other Charges	18,546,873	20,823,619	21,358,859	535,240
Capital Outlay	1,014,643	846,300	576,596	(269,704)
County Service Charges	2,035,978	2,332,517	1,829,667	(502,850)
Abatements	(218,201)	(317,504)	(175,550)	141,954
Total Expenditures	\$ 144,665,701	\$ 150,822,642	\$ 157,134,063	\$ 6,311,421
State & Federal Revenue	79,095,123	80,199,416	82,596,381	2,396,965
Other Direct Revenue	1,331,358	1,318,500	1,562,500	244,000
Transit Revenue	45,444,057	48,905,545	53,165,231	4,259,686
Total Revenue	\$ 125,870,538	\$ 130,423,461	\$ 137,324,112	\$ 6,900,651
Direct Total Tax Levy	18,795,163	20,399,181	19,809,951	(589,230)

ADDITIONAL COSTS NOT INCLUDED IN TAX LEVY*				
Account Summary	2005 Actual	2006 Budget	2007 Budget	2006/2007Change
Central Service Allocation	\$ 166,773	\$ 268,657	\$ 125,024	\$ (143,633)
Courthouse Space Rental	0	0	0	0
Tech Support & Infrastructure	0	0	0	0
Distribution Services	0	0	0	0
Telecommunications	0	0	0	0
Record Center	0	0	0	0
Radio	41,285	36,478	38,502	2,024
Computer Charges	0	0	0	0
Applications Charges	0	0	0	0
Total Charges	\$ 208,058	\$ 305,135	\$ 163,526	\$ (141,609)
Direct Property Tax Levy	\$ 30,136,861	\$ 20,399,181	\$ 19,809,951	\$ (589,230)
Total Property Tax Levy	\$ 30,344,919	\$ 20,704,316	\$ 19,973,477	\$ (730,839)

* These costs are included in other departmental and non-departmental budgets. They are reflected here to show the "total" amount of tax levy support for this Department.

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MISSION

The Milwaukee County Transit/Paratransit System exists to provide reliable, convenient and safe public transportation services that efficiently and effectively meet the varied travel needs of the community and contribute to its quality of life.

DEPARTMENT DESCRIPTION

The **Transit Operations Program** includes all activities necessary for the efficient, day-to-day management and operation of the Milwaukee County Transit System, and the related Transit Plus paratransit service by Milwaukee Transport Services, Inc., a private nonprofit corporation under contract with Milwaukee County. The corporation employs a work force totaling approximately 1,250 employees who are assigned to three major functional classifications: Administration, Finance and Operations.

The **Transit Policy and Capital Acquisition** program is staffed by four positions in the Transportation Planning Division and is responsible for all studies related to transit planning, the replacement and acquisition of transit capital assets, and providing design and construction services for capital facilities. In addition, this division develops and submits grant applications and administers all approved state and federal grants.

BUDGET HIGHLIGHTS

Transit Operations

- The Governmental Accounting Standards Board (GASB) statement number 45 (GASB-45), issued in 2004, will become effective in 2007. This statement establishes standards for the measurement, recognition, and display of Other Post Employment Benefits (OPEB) expenditures and related liabilities. This OPEB cost is for post retirement health insurance and life insurance benefits for eligible employees. A requirement to accrue for the annual cost of OPEB earned by an employee during the year (normal cost) plus the amortization of past service costs earned by an employee prior to the effective date of the new governmental accounting standard begins in 2007. In order to comply with Wisconsin state statutes, proprietary fund departments must

follow governmental accounting rules and use accrual accounting. An amount of \$17,189,176 has been budgeted, which includes \$8,674,309 of expected post employment benefit payments associated with current retiree expenses for OPEB liability. The net OPEB increase of \$7,514,867 was partially mitigated by an OPEB reserve fund of \$1,000,000 established in 2006 and significant changes to medical insurance benefits provided to active employees and retirees when union contracts are negotiated in early 2007. Should MTS be unable to achieve any assumptions that were used to mitigate the OPEB expense, MTS will reduce expenses or achieve revenues elsewhere without increasing fares or reducing service in any way.

- Operating expenses are \$132,131,585 an increase of \$6,618,260 (5.3%) compared to the 2006 budget. This increase is primarily due to the accounting of Other Post Employment Benefits (OPEB) pursuant to GASB 45. The net OPEB liability for Transit for 2007 is \$7,514,867. The increases in operating expenses are mitigated by a lump-sum reduction of \$1,174,025.
- The 2007 Budget was developed with no increase in adult cash fares and no reduction of routes. Adult tickets and weekly passes increase from \$14.00 to \$17.00. This includes an increase in premium tickets from \$19 to \$22, an increase in special student passes from \$13.75 to \$16.00 (regular student passes and tickets are no longer available), an increase in the U-Pass from \$41 to \$44, and an increase in the Commuter Value Pass from \$155 to \$189. These changes result in a net revenue (passenger abatement) increase of \$4,255,279.
- Currently, the two positions of Managing Director and Deputy Director of Milwaukee Transport Services receive total direct compensation of approximately \$342,958. Beginning in 2007, the total amount of compensation for these positions will be \$108,012.84 and \$104,037.96 respectively. This includes salary; employer funded deferred compensation, and any other form of direct compensation. This level of compensation is similar to other division heads within the

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Department of Public Works (DPW). Health care and other forms of indirect compensation are excluded. In addition, MTS will make efforts to bring salaries of other management positions in line with those of DPW managers. The total savings associated with this budget action is \$130,907.

- Transit passenger revenue (passenger abatement) is projected to be \$45,833,125, an increase of \$5,291,725 (13%). This is a function of a decrease in the discount rate for passes and tickets, and stronger than budgeted ridership trends in 2006 continuing into 2007.
- Bus hours decrease by 2,079 (0.1%) from 1,421,650 to 1,419,571. Bus miles decrease by 246,107 (1.3%) from 19,201,894 to 18,955,787. These decreases are results of less Waukesha County service and less service provided relating to the Marquette Interchange Project.
- Diesel fuel is budgeted at \$2.35 per gallon for 2007, resulting in an increase of \$1,260,000 over the 2006 budget.

Paratransit Operations

- The passenger fare will be \$3.50 per one-way trip, an increase of \$0.25 compared to 2006. The change results in a revenue increase of \$249,079.
- Total trips are estimated at 1,026,320, an increase of 37,024 (3.7%) compared to the 2006 budget. The increase is based on current paratransit ridership trends through April 2006.
- Purchased transportation expense is estimated at \$20,289,092, an increase of \$778,950 (4.0%) compared to the 2006 budget. Cost per paratransit ride is projected at \$19.77, an

increase of 0.3 percent compared to the 2006 budget.

- Overall productivity for van service is projected to be 2.03 rides per hour in 2007, an increase of 3.1 percent compared to the 2006 budget.

Transit Policy and Capital Acquisition

- State operating assistance is estimated to be \$59,107,000, an increase of \$1,159,000 (2.0%) compared to the 2006 budget.
- State specialized transportation assistance is projected to increase \$184,763 (14.7%) to \$1,441,028.
- Federal formula funds used for transit operations (capitalized maintenance) will be \$18,300,000, a reduction of \$100,000 compared to the 2006 budget.
- Other state and federal funding to support Wisconsin Employment Transportation Assistance Program (WETAP)/Job Access programs are estimated to be \$628,000, a decrease of \$99,000 compared the 2006 budget. The 2007 budget includes funding to maintain current WETAP service and a WETAP grant for extension of Route 54 to United Migrant Opportunity Services (UMOS).
- The paratransit budget assumes the receipt of \$250,000 in federal "New Freedom" funds to cover a portion of the cost of service beyond $\frac{3}{4}$ of a mile of fixed-route service.
- Federal cost of contracting funds (FTA formula funds) in the amount of \$1,650,000 will be used for paratransit operations.

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ACTIVITY & STATISTICAL SUMMARY			
	2005	2006	2007
	Actual	Budget	Budget
Buses Assigned	476	518	479
Buses Operated	433	410	423
Bus Miles	19,267,476	19,201,894	18,955,787
Bus Hours	1,433,523	1,421,650	1,419,571
Revenue Passengers	47,457,417	46,940,000	46,572,023
Cost Per Mile	\$6.19	\$6.48	\$6.97
Cost Per Revenue Passenger	\$2.51	\$2.65	\$2.84
Revenue Per Revenue Passenger	\$0.81	\$0.86	\$0.98
Farebox Recovery Ratio	32.23%	32.30%	34.69%
Transit Plus Van Trips/Hour	1.98	1.97	2.03
Transit Plus Ridership	1,015,162	989,296	1,026,320
Transit Plus Cost/Ride	18.92	19.72	19.77

BUS FARES						
	2002	2003	2004	2005	2006	2007
Adult Cash Fare	\$ 1.50	\$ 1.50	\$ 1.75	\$ 1.75	\$ 1.75	\$ 1.75
Adult Weekly Pass	\$ 12.00	\$ 12.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 17.00
Adult Ticket Book (a)	\$ 12.00	\$ 12.00	\$ 13.00	\$ 13.00	\$ 14.00	\$ 17.00
Half Fare Cash Fare	\$ 0.75	\$ 0.75	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85
Half Fare Ticket Book (a)	\$ 7.50	\$ 7.50	\$ 8.50	\$ 8.50	\$ 8.50	\$ 8.50
Student With Permit	\$ 1.10	\$ 1.10	\$ 1.30	\$ 1.30	\$ 1.30	N/A
Student Fare Ticket Book (a)	\$ 10.00	\$ 10.00	\$ 11.00	\$ 11.00	\$ 13.00	N/A
Student Regular Weekly Pass	\$ 10.00	\$ 10.00	\$ 11.00	\$ 11.00	\$ 13.25	N/A
Student Special Weekly Pass	\$ 10.50	\$ 10.50	\$ 11.50	\$ 11.50	\$ 13.75	\$ 16.00
UPASS (b)	\$ 35.00	\$ 35.00	\$ 38.00	\$ 38.00	\$ 41.00	\$ 44.00
Commuter Value Pass (c)	\$ 117.00	\$ 117.00	\$ 126.00	\$ 126.00	\$ 155.00	\$ 189.00
Premium Cash Fare	\$ 1.80	\$ 1.80	\$ 2.05	\$ 2.05	\$ 2.25	\$ 2.25
Premium Fare Ticket Book (a)	\$ 15.00	\$ 15.00	\$ 16.00	\$ 16.00	\$ 19.00	\$ 22.00

- (a) 10 Tickets per ticket book.
- (b) Effective beginning with the Fall term of the year indicated. Fall and Spring terms are full price. Summer term is half price.
- (c) Valid for three months, issued each calendar quarter.

Year	Taxi	Van	Agency	Total
1998	150,832	412,958	216,000	779,790
1999	154,717	492,595	241,590	888,902
2000	192,170	525,843	266,348	984,361
2001	204,779	557,005	265,407	1,027,191
2002	193,345	594,303	260,393	1,048,041
2003	171,837	636,865	251,823	1,060,525
2004	154,518	651,976	196,882	1,003,376
2005	166,328	658,511	190,323	1,015,162
2006	159,942	656,866	172,488	989,296
2007	168,304	666,764	191,252	1,026,320