

2020



Legislative Reference Bureau

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DPW- TRANSPORTATION

2020 Proposed Plan and Executive Budget Review

Prepared by: Aaron Cadle, Legislative Fiscal Analyst
Budget Hearing: 1:30 pm on Friday, October 11, 2019



\$32,312,376

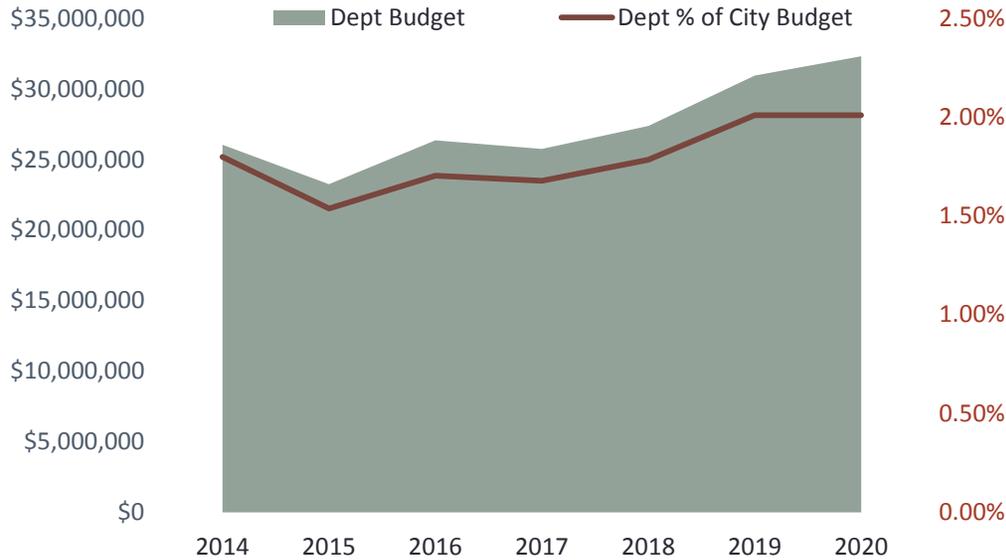
Proposed 2020 Budget

\$1,366,484

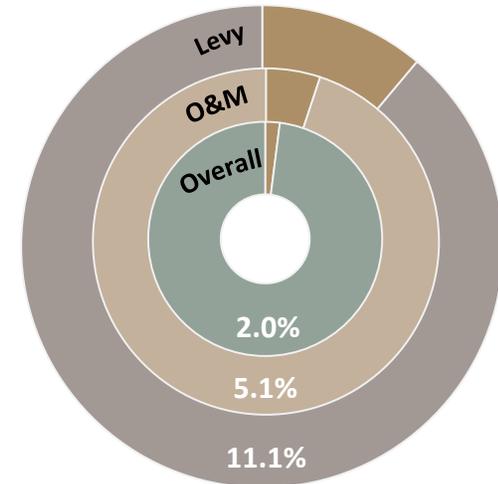
Change in Proposed Budget

4.4%

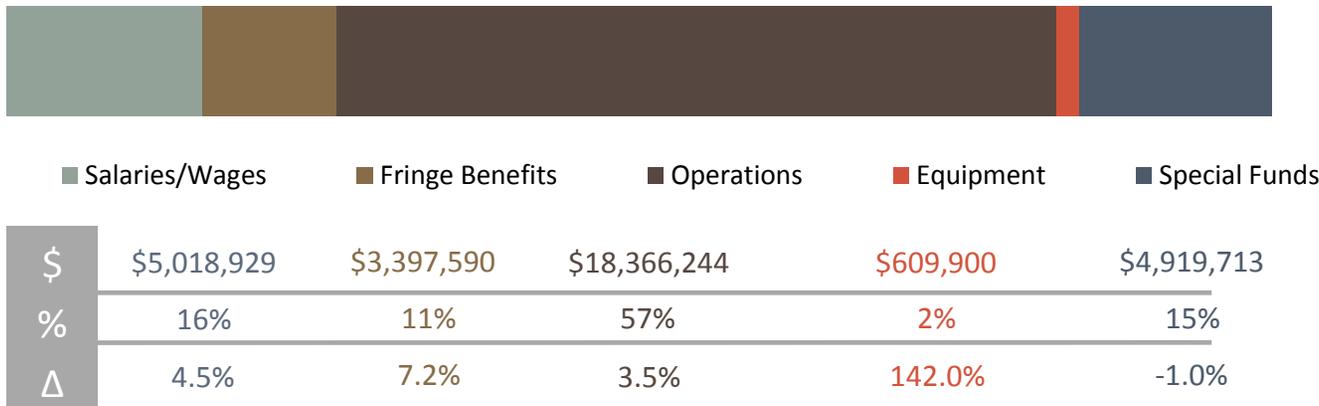
% Change in Proposed Budget



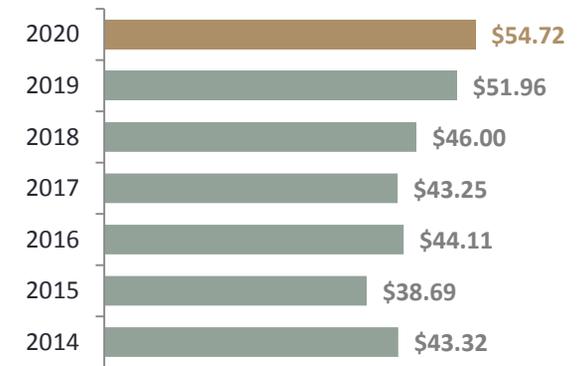
Departmental Budget Impact



Departmental Budget Appropriation Category



Budget per Capita



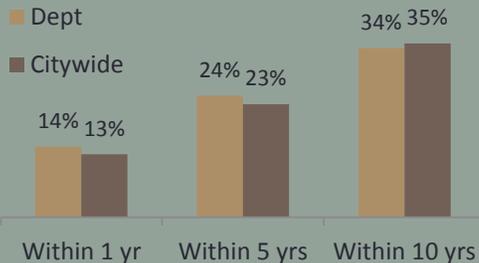
\$165,509

Net salary increase resulting from salary rate changes in parking operations.

\$272,092

Net salary and fringe benefits in 2020 Proposed Budget for 2-person administrative streetcar staff.

Retirement Eligible



1

Change in Positions

0.8%

% Change in Positions

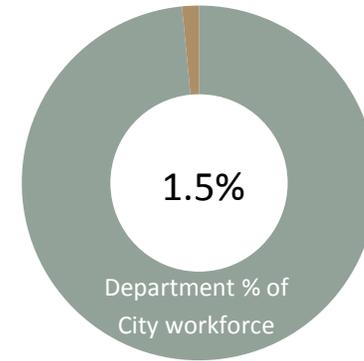
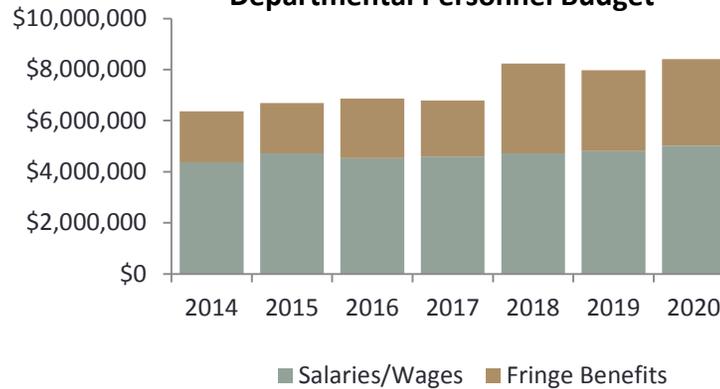
5

Current Vacancies

11

Voluntary Separations

Departmental Personnel Budget



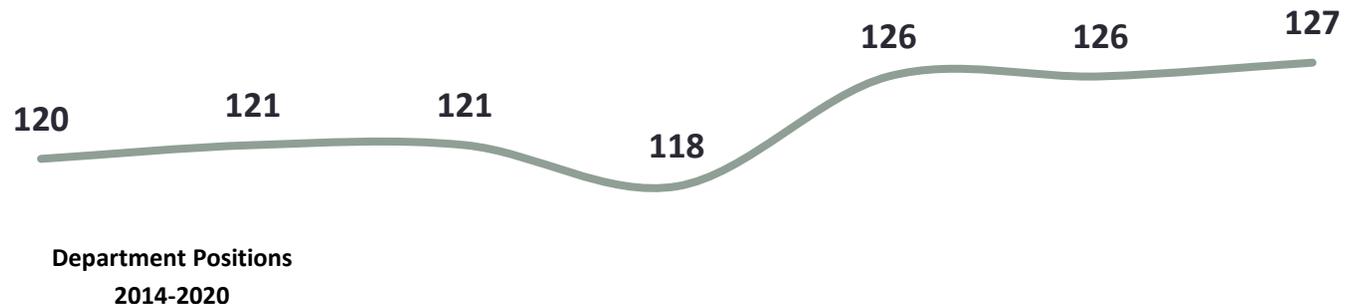
Staffing - Parking Checker Vacancies Down

5 (8%) of the department's 62 parking checker positions (3 checkers and 2 lead checkers) are vacant. To keep these position vacancies low the department has:

- Reclassed the position as a Parking Enforcement Officer.
- Emphasized customer service skills during recruitment.
- Made greater use of auxiliary hiring authority.

Staffing - Parking Citation Review Manager

The position of Parking Citation Review Manager (salary \$68,169) was moved from the City Attorney's Office to the Transportation Fund in 2019 to streamline the review process and provide greater accountability. Previously, the Transportation Fund reimbursed the City Attorney for this manager's services.



\$4,656,936

2020 Proposed Budget to operate THE HOP – up 6% from the 2019 Adopted Budget.

\$0

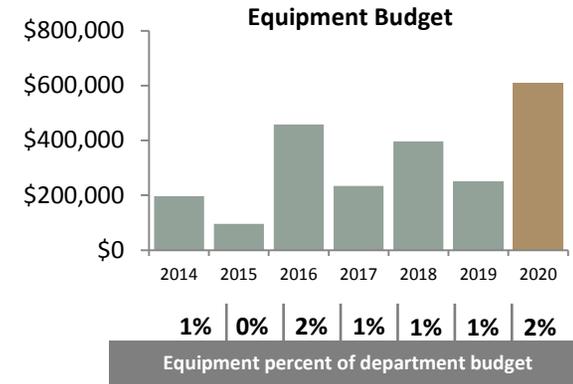
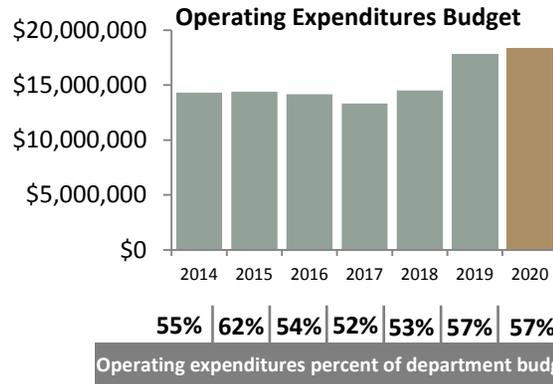
THE HOP advertising revenue year-to-date 2019. Adopted 2019 Budget projects \$250,000. Proposed 2020 Budget projects \$368,621.

\$16,000,000

Projected 2020 transfer to the general fund – unchanged from the general fund transfer in the 2019 Adopted Budget.

50%

Percent of all parking citations issued in 2018 for night parking violations, down 6% from 56% in 2016.



THE HOP Revenues

THE HOP revenues in the 2020 Proposed Budget of \$4,656,936 is projected to exactly match projected costs. Revenues in in 2019’s Adopted Budget were also expected to cover all expenditures without supplemental funding from the Parking Division.

THE HOP streetcar funding sources for 2020

- Potawatomi Sponsorship \$ 781,240
- Sponsorship Advertising \$ 368,621
- CMAQ grant \$3,507,075
- Total \$4,656,936

\$500,000 Special Equipment Purchase

Proposed 2020 Budget includes \$500,000 for:

- 9 million BTU snow melter for use in areas of congested parking.
- V plow and 2-3 two-ton truck plows to plow narrow streets.

Parking Meter “Coin” Payments

Percentage of parking meter payments made in cash:

- 2015 49.6%
- 2016 42.8%
- 2017 40.8%
- 2018 39.5%
- 2019 40.1%

897,539

MKE Park mobile parking payment app transactions through in 2018 – 49.7% of smart meter LUKE meter transactions.

57.8%

Percentage of meter revenues in 2018 paid through credit or debit cards.

2,019

Number of parking spaces served by the latest generation “smart” meters – 28% of all parking spaces.

\$-5.1 million

24% decline in citation revenue from actual 2014 to actual 2018.

Right-hand Drive Jeeps No Longer Available

Four GO-4 electric vehicles were purchased in 2019 to replace aging right-hand drive Jeeps which are no longer available.

License Plate Recognition Installation

Proposed 2020 Budget includes \$357,000 to purchase and install License Plate Recognition equipment on 6 of the 12 parking vehicles currently not equipped with this technology.

MKE Park Mobile App Parking Meter Payments

35.8% of parking meter revenues for 2018 were paid using the department’s MKE Park mobile phone app.

Commitment to Electric Parking Checkers

Proposed 2020 Budget includes \$250,000 to purchase additional GO-4 electric parking checker vehicles. Although more expensive than the no-longer-available Jeeps, the department expects to realize significant reductions in maintenance and energy costs with electric vehicles.

Steady Decline of Cash Reserves

Cash reserves in 2018 of \$7,482,000 were down \$2,422,000, or 24.5%, from 2017, and down \$5,296,000, or 41.4%, from 2016. LRB calculates the Transportation Fund’s 2018 current ratio (a measure of the department’s liquidity and financial vitality) at 1.9:1, down 28.5% from 2017’s current ratio of 2.6: 1.

Payment in Lieu of Taxes

In addition to its projected \$16 million transfer to the General Fund, Transportation Fund’s Proposed Budget projects a PILOT for use of City facilities of \$1,357,000 in 2020. The Fund’s actual PILOT payment in 2018 was \$1,413,735.

The chart below shows the amount the department's revenues exceed its expenditures.

Income Summary	Actual 2015	Actual 2016	Actual 2017	Actual 2018	'19 Adopted	'20 Proposed
Parking Citations	\$18,643,025	\$15,563,351	\$14,399,491	\$16,210,216	\$15,000,000	\$16,200,000
Parking Structures	8,092,968	7,404,939	7,259,996	7,365,977	6,773,600	6,941,000
Parking Meters	5,140,894	5,179,881	4,569,945	4,610,037	4,765,400	5,184,000
Mobile Meters	-	-	-	-	-	-
Parking Permits	4,087,152	4,552,754	4,208,558	4,694,160	4,391,600	4,845,000
Vehicle Towing	5,741,287	5,567,088	5,978,324	6,113,551	5,418,900	5,700,000
Vehicle Disposal	-	-	-	-	-	-
Parking Lot Leases	26,955	19,114	24,470	48,792	23,400	24,000
Miscellaneous	1,464,576	1,037,336	957,886	1,041,355	1,086,300	1,087,000
Streetcar				-	4,399,424	4,656,936
Total Revenues	\$43,196,857	\$39,324,463	\$37,398,670	\$40,084,088	\$41,858,624	\$44,637,936
Total Operating Expenses	\$21,194,286	\$21,080,883	\$20,270,779	\$23,142,244	\$25,974,663	\$27,392,663
Debt Service	-	2,899,529	2,828,771	2,818,892	3,000,000	3,000,000
Payment in Lieu of Taxes	1,669,268	1,566,944	1,594,302	1,413,735	1,409,000	1,357,484
Pension Contribution	360,000	409,000	954,000	-	-	-
Pay to Water Works	27,286	27,286	27,229	-	27,229	27,229
BublR Funding				-	110,000	110,000
Operating Fund Increase	\$19,946,017	\$13,340,821	\$11,723,590	\$12,709,217	\$11,337,732	\$12,750,560
Capital Improvements	\$ 1,353,606	\$ 689,708	\$ 941,679	\$ 1,687,278	\$ 3,385,000	\$ 2,725,000
New Borrowing	-	6,780,000	6,240,997	1,687,278	3,385,000	2,725,000
Net from Parking Fund	\$ 1,353,606	\$(6,090,292)	\$(5,299,318)	\$ -	\$ -	\$ -
Net Fund Increase	\$18,592,411	\$19,431,113	\$17,022,908	\$12,709,217	\$11,337,732	\$12,750,560
Transfer to General Fund	\$17,000,000	\$17,008,956	\$16,600,000	\$17,123,005	\$16,000,000	\$16,000,000
Net Income	\$ 1,592,411	\$ 2,422,157	\$ 422,908	\$(4,413,788)	\$(4,662,268)	\$(3,249,440)