



City of Milwaukee

200 E. Wells Street
Milwaukee, Wisconsin
53202

Meeting Minutes

PUBLIC TRANSPORTATION, UTILITIES, AND WATERWAYS REVIEW BOARD

ALD. ROBERT J. BAUMAN, CHAIR

**Donna Brown-Martin, Jim Carpenter, David Jasenski, Jeff
Polenske and Harpreet Singh**

**Staff Assistant: Joanna Polanco, 286-2366, Fax: 286-3456,
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Thursday, September 26, 2019

10:00 AM

Room 301-B, City Hall

Meeting called to order at 10:02 AM

Present: 3 - Bauman, Jasenski, Carpenter

Excused: 1 - Brown-Martin

- 1. Communication from the Southeastern Wisconsin Regional Planning Commission and Wisconsin Policy Forum regarding proposed cuts in Milwaukee County Transit System bus routes, funding for transit systems in the United States, including regional transit authorities and dedicated funding sources including dedicated sales tax.**

Appearing:

Kevin Muhs, Executive Director SEWRPC

Rob Henken, President Wisconsin Policy Forum

Ald. Bauman said that there has been recent discussion in the media about a local sales tax being implemented; 1% sales tax that would be implemented in Milwaukee County. A Rather complicated proposal that would raise funds that would flow to Milwaukee County, various municipalities. Portion of the money would be use for property tax relieve and a reference to public health infrastructure. It is fair to say that municipalities and the Milwaukee County can certainly use new revenue, but the question is how the revenue is going to be deployed. Ald. Bauman strongly believes that public transit is a core public service, but he has not seen any discussion of public transit in this general discussion of the sales tax debate. Even though some of this money is earmarked to flow to Milwaukee County, there is no guarantee Milwaukee County would use the infusion of revenue to provide any additional funding for the public transit that Milwaukee County operates. Ald. Bauman feels that a dedicated funding source for transit is the only way to stabilize the current system.

Mr. Rob Henken presented information to ground people in the deep background history of funding transit challenges that the Milwaukee County Transit System. In the report cover from the Wisconsin Policy Forum of 2008, showed the problem identified in structural issues that were very pressing than, are essentially the same set of issues that we find ourselves facing today.

The problem for the Milwaukee County Transit System is that it has certain fixed costs over which it does not have a great deal of control that are going up every year. Some

are going up at a far greater rate than the rate of inflation. It had a set of revenue streams that tend not to grow every year, unless the County has the way to make them grow every year; for example fuel expenses. Buying fuel for Milwaukee County Transit System Buses is something over which the County has little control. Another fixed cost is fringe benefits; while the trajectory, on the chart shows previous decade sharper than this decade, nonetheless, health care inflation typically runs higher than the general rate of inflation. When fixed costs are going up every year that's a problem as the revenues are not keeping pace. For different entities there is a different answer to that question. The funding pie for MCTS in 2008 is not dramatically different today. Lots depend on State Operating assistance. Wisconsin is a state that does not give local government options for raising their own revenue.

The County's role comes in that, each year transit system leaders establish their projected expenditures to maintain the current level of service.

2010 & 2011 MCTS Budgets:

Cash fares increased from \$2.00 to \$2.25; 3 flyer routes eliminated, service reductions on 3 other routes, reductions in weekend service.

2012 MCTS Budget:

State budget cut MCTS' operating assistance by \$6.9 million.

Major service cuts/general fare increase averted via \$12.7 million in CMAQ from KRM and \$6.4 million from BRT.

2013-2019 MCTS Budgets:

Substantial paratransit savings, continued creative use of CMAQ, new \$30 wheel tax provide reprieve to cuts in fixed route service/fare increases.

Stimulus dollars and other unanticipated federal funds allowed for purchase of 125 buses; Abele used \$36 million in ICE funds for same purpose – crisis temporarily averted.

The challenge today is that MCTS ridership has dropped from 51 million in 2008 to 29 million last year while revenues collected at the farebox have plunged from \$45 million to \$37 million.

During the same period, the system's largest source of revenue – state aid – has remained essentially the same.

Meanwhile, buses purchased with stimulus and ICE funds will soon need to be replaced.

It's now up to the cash-strapped county to find additional resources or cut service.

Even with recent creative use of federal funds, the county has been forced to increase its local commitment from \$16 million in 2014 to \$25 million this year.

There will be some modification proposed for 2020, but without more dollars, the choice really become which of these types of routes services are going to need to be cut to be able to maintain a transit system that is affordable in the county's financial constraints.

Mr. Muhs said that Southeastern Wisconsin Regional Planning Commission (SEWRPC) is charged with the

long-range land use and transportation planning for the region which includes every ten year updating the long-range plan that, looks 20 years in the future; the current plan is Vision 2050. This plan includes recommendations to double the transit services in the larger region; with a substantial amount being within Milwaukee County. It focuses on speeding-up services, in some of the best corridors, provided, where appropriate, rapid

transit either by bus or rail, commuter rail using existing freight commuter rail road corridor, increasing the frequency, substantially, and through some form or method providing better access to suburban business parks. This could take the form of a bus, but it could also take the form of other flexible options of transit. All of the substantial improvement would require an increase of roughly \$170 million a year and how much the State and local government is contributing to transit and all of the Southeastern Wisconsin counties. However, there are substantial portion of the improvement that can be accomplish at much lower levels, like implementing dedicated sales taxes that, would of generated \$70-80 million for transit.

In developing Vision 2050, SEWRPC has made comparison in the metro area to peer transit systems across the country and, found out that MCTS is one of the most efficient transit systems in the country when it comes to cost per revenue hour. As to governance models and funding models comparison, particularly, of metro areas that are roughly the same size as the Milwaukee metro area. Peer range is about 25 peers that range in size of 2.5 million people in the metro area down to 1 million people in the metro area. The Milwaukee urbanized area, approximately, is in the middle of that. When looking at those 25 peer metro areas, only 4 other metro areas do not have a dedicated funding source for their primary transit system: Norfolk Virginia; Memphis TN, Nashville, TN; and Richmond Virginia. Interestingly, of these Nashville does have authority to allow their metro areas to begin to look into dedicated funding for transit. Nashville is working on succeeding on a referendum. Of those that do have that dedicated funding, as substantial portion of those 16 of 21 use sales tax, generally between .5%, some do more than 1%. There are 3 that use a payroll tax, 1 uses an income tax

Mr. Muhs continue by saying that in large part due to the generous historical support for transit across the entire state, MCTS provides 50% more service than the next largest transit system that does not have a dedicated transit system funding source.

Bauman does not support to increase 1% to sales tax. he wants to modify or pulled back this legislation.

Public Testimony:

Ms. Ruth A Bowen - 33 years of public transit user

Ms. Joyce Ellenwenger -

Mr. Marty Wall -

Mr. Dan Sebring - Director of Milwaukee County System

Mr. Bruce Calvert - Transit Union Amalgamated Union

Mr. Dennis Grzezinski - 3025 N Farwell Ave

Meeting adjourned at 11:34 AM

Joanna Polanco

Staff Assistant

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