

2023 ANNUAL REPORT

“

Public transit is a vital infrastructure that benefits everybody. **A cut in MCTS funding would be a huge blow to the city of Milwaukee and to bus riders like me.**”

— JARED | MCTS RIDER



Throughout this year's Annual Report, you'll hear from bus riders, business leaders, MCTS employees, and elected officials in support of the bus.

“

I'm not sure how I would be able to get to my doctor appointments, school, or work if the routes were cut. **I can't drive, and I can't afford to pay for something like an Uber or Lyft every time.** This would be devastating for people like me.”

— SKY | MCTS RIDER

“

I have been accepted into UWM and as a college student I don't plan on owning a car. **Significant cuts of services would definitely impact my day-to-day life** as a college student who has friends in other parts of town.”

— DEVIN | MCTS RIDER

“

With the route cuts and restructuring that has already occurred and the planned changes, **I have had to reconcile myself to the fact that, if there is no bus, I am stranded at home.** There are a lot of people like me. Please help.”

— MARY | MCTS RIDER

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MILWAUKEE COUNTY TRANSIT SYSTEM

1942 N. 17th St. | Milwaukee, WI 53205 | RideMCTS.com

THE MANY VOICES OF SUPPORT



» **We began 2023 in a very difficult place.** We feared we'd need to cut service by 50 percent due to a funding gap that had been growing over the past 10 years. We were staring at a looming fiscal cliff, one that could have an immediate negative effect on public transit.

Thanks to you, we are in a stable financial position through 2026. Bus operators, mechanics, elected officials, corporate executives, festival planners, riders, employees, teens, seniors, librarians, non-profit leaders—everyone shared their voices about why they use and rely on public transit. You helped us highlight how critical funding public transit is for millions of riders.

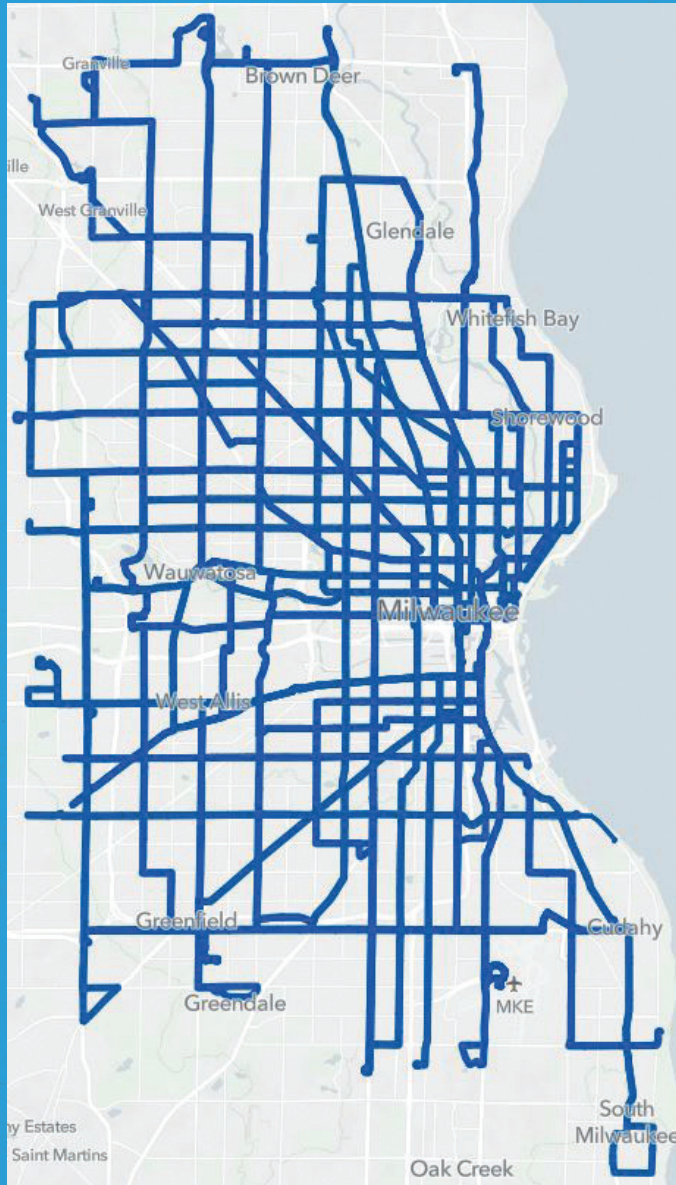
With the support of County Executive David Crowley, and the Milwaukee County Board of Supervisors, lawmakers heard you. The local sales tax was approved to help balance the County budget, which in turn, helped fill MCTS's budget shortfall. A lot of people think MCTS buses run on diesel or electricity, but I feel our buses run on the energy of people who support public transit. Ridership increased by 10 percent over 2022 which is a great achievement! Our report highlights all that we accomplished, and a look ahead at how we can make MCTS the best it can possibly be.

With gratitude,

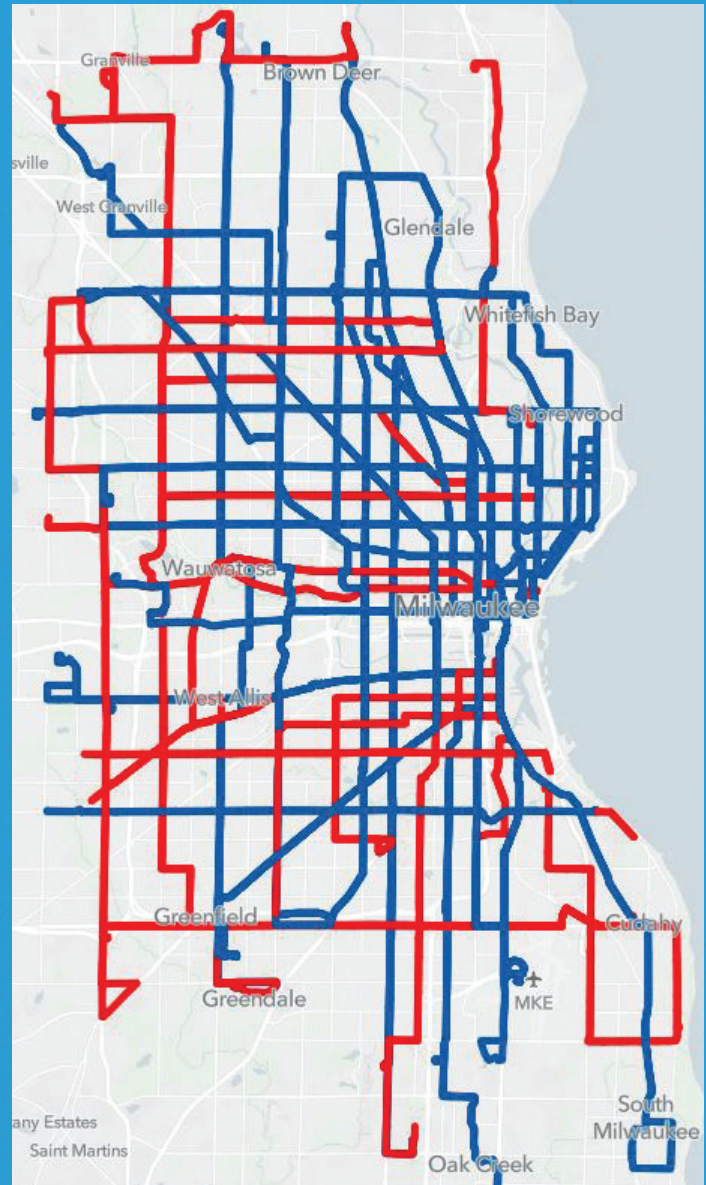
Denise Wandke

President and Managing Director
Milwaukee County Transit System

MCTS was facing a \$26.5 million budget shortfall by 2025, which would have required slashing bus service by more than 20 percent, representing nearly one half of all routes in the system.



2023 Routes



Potential Cuts (Red)

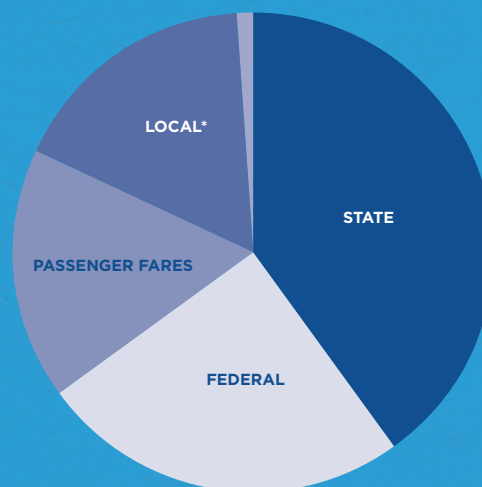
2023 BY THE NUMBERS

Thanks to the introduction of WisGo, CONNECT 1 BRT, and system-wide improvements done as part of MCTS NEXT, **MCTS saw a 10% increase in ridership during 2023.**

Funding By Source

40% State | \$68,753,604
25% Federal | \$43,009,218
17% Passenger Fares | \$29,731,941
17% Local* | \$28,478,285
1% Other Revenue | \$793,563

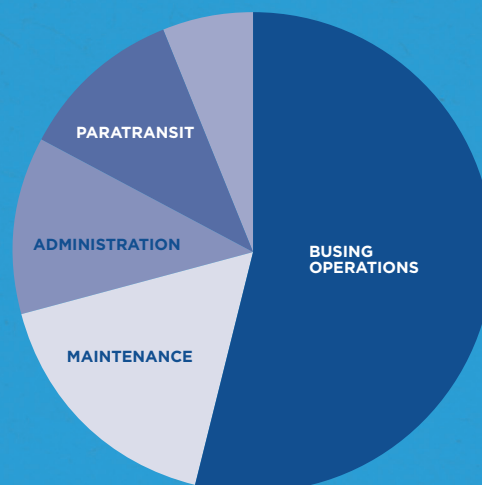
Total | **\$170,766,611**



Operating Costs

54% Busing Operations | \$92,827,017
17% Maintenance of Vehicles & Facilities
 \$29,377,216
12% Administration | \$19,790,316
11% Paratransit | \$18,429,092
6% Capital Charges | \$10,342,970

Total | **\$170,766,611**



**Local funding consists of Milwaukee County Tax Levy and Wheel Tax*

“

I think transportation is one of the real big issues for me. I think about the world, and **I think it's going to be one where we're going to see a lot of changes** in the next 10 to 20—30 years.”

— DANIEL | MCTS RIDER

“

Public transit is the lifeblood of a city. **If routes are scaled back or eliminated, I could lose touch with parts of my community and access to what those areas offer.** The city needs to be unified through transit, not less!”

— NICK | MCTS RIDER

» Five-Year Financial Outlook

Milwaukee County Comptroller providing the five-year Financial Outlook for 2025–2029:

“Transit Division would require an additional \$25.1 million in tax levy to support operations. This “fiscal cliff” was largely mitigated by an unprecedented tax levy increase of \$17.8 million in 2024 but will still require an additional \$17.5 million in property tax levy support by 2029. Based on most recent projections, the Department of Transportation – Transit Division will extend its remaining allocation of federal stimulus funding through 2026 and increase its share of federal Section 5307 used in the operating budget to absorb cost increases over the next two years. By 2027, the estimated gap between operating expenditures and revenues hits \$12.6 million, growing to \$17.5 million by 2029, and will likely fall to the property tax unless new or increased revenue sources are secured.”



22.3m
rides given in 2023

44
routes

17,281,735
total miles served

1,309,026
hours of service

13
passengers per hour

65%
of pre-pandemic ridership

80%
on-time performance

344
buses

10
new battery electric buses

7.41
average bus age in years

3,984
total bus stops

664
bus stops with shelters

A YEAR OF MOVING FORWARD

Covering 242 square miles across 19 municipalities, MCTS provides more than just transit infrastructure for Milwaukee County, it is critical to our regional economy.

MCTS successfully made 2023 a year of change like no other. Despite a decade of operating with a flat budget, the organization introduced new technology, made infrastructure improvements and launched new programs. Many of these improvements were years in the making:

» New Fare Collection System

One of the most wide-ranging changes was the introduction of MCTS's new fare collection system, WisGo powered by Umo. Through a partnership with Umo, MCTS brought riders a more modern, account-based payment system. Not only did the new system allow customers to load cards and a mobile app online in real-time, but it also benefited all riders by providing equity. The data collection capabilities of Umo allowed MCTS to implement a much-anticipated fare capping program. No matter what a rider's ability to pay is, everyone pays the same amount based on the number of times one rides. Cash is always an option, but with WisGo, everyone pays the fairest fare. WisGo also gave riders a regional mobility option, linking other metro systems such as Waukesha and Beloit, to one, convenient, easy-to-pay system.

“

One thing I really like about the Umo app for MCTS is **how easy it is to both access and add funds to**. My girlfriend had run out of funds one day and it took her maybe 30 seconds to add funds and scan her phone.”

— AARON | MCTS RIDER



“

[I] happened to be in Milwaukee today and had to try out the new CONNECT 1 ‘BRT’ line.

[I] love seeing smaller cities doing more with buses.”

— JAMES | MILWAUKEE VISITOR



» Bus Rapid Transit (BRT) Launches

On the infrastructure side, MCTS launched the state’s first bus rapid transit service, CONNECT 1. The 9-mile route links major employment, education and recreation destinations along the region’s most vital and congested corridor—from downtown Milwaukee to the Milwaukee Regional Medical Center in Wauwatosa. Designed with dedicated bus lanes, it provides service every 10 minutes on weekdays during peak times. Ridership on CONNECT 1 nearly doubled in the first year of service. Planning is underway for a second CONNECT route, running north-south, which is scheduled to open in 2028.



» #SavetheBus Campaign

2023 was also significant from the legislative perspective. Thanks in part to MCTS’s award-winning #SavetheBus campaign, we were able to join the Milwaukee County Executive to convince the Wisconsin State Legislature and Milwaukee County Board to support a special new tax which helped the county—and MCTS—avoid fiscal disaster. This bi-partisan, multi-media campaign mobilized business and community leaders, as well as the general public, to help MCTS achieve this goal. While we were able to stabilize our budget, more work needs to be done in preparation for the next budget season.

“

Our stakeholders are asking for more transit options to serve employees and visitors. But **the current budget not only doesn’t meet the need, it fails to provide for the current service we rely upon every day.”**

— COREY ZETTS | EXECUTIVE DIRECTOR, MENOMONEE VALLEY PARTNERS

CUSTOMER SURVEY: WHAT RIDERS TELL US

MCTS prioritizes investments based on feedback from riders and stakeholders. MCTS once again conducted its annual NuStats Customer Survey in 2023.



“

[MCTS is] an important and integral part of my day-to-day life. **Without the bus I would have nothing.** I owe a lot to Milwaukee. Thank You.”

— SURVEY PARTICIPANT

The results from the NuStats phone and online survey show us where riders believe we are strong and where we can improve our service. The 2023 results show that 72% of MCTS riders agree that the Milwaukee County Transit System exceeds or meets their needs.

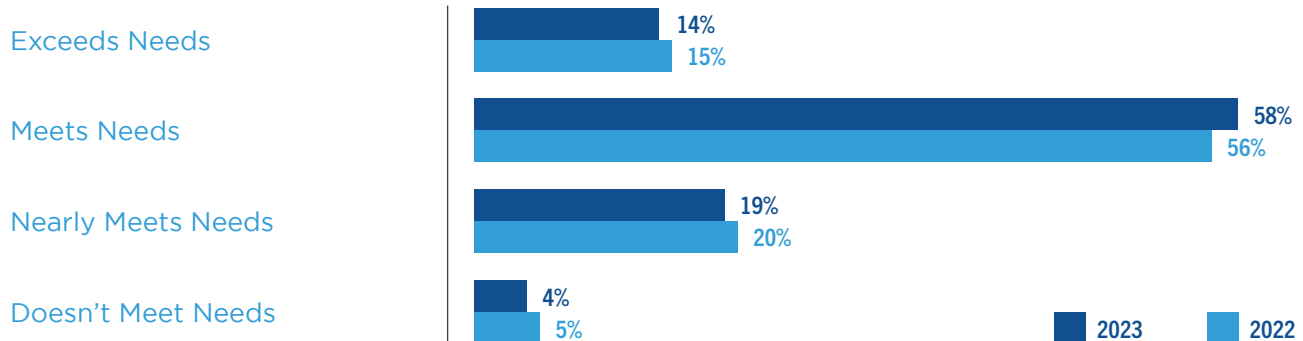
Riders were offered the opportunity to rate their satisfaction with the new Umo Mobile app and their usage. Forty-four percent of riders who use the new Umo Mobile app said that ease of using the app to pay for their fare met or exceeded their needs. This percentage was similar to those who found the ease of using the app to track their bus (44%) as meeting or exceeding their needs.

In terms of passenger satisfaction, 46% of respondents said they are “very likely” to recommend riding the bus, which is up 3% YOY. “I have no other means of travel” is up 4%, and “walking” is up 3%.

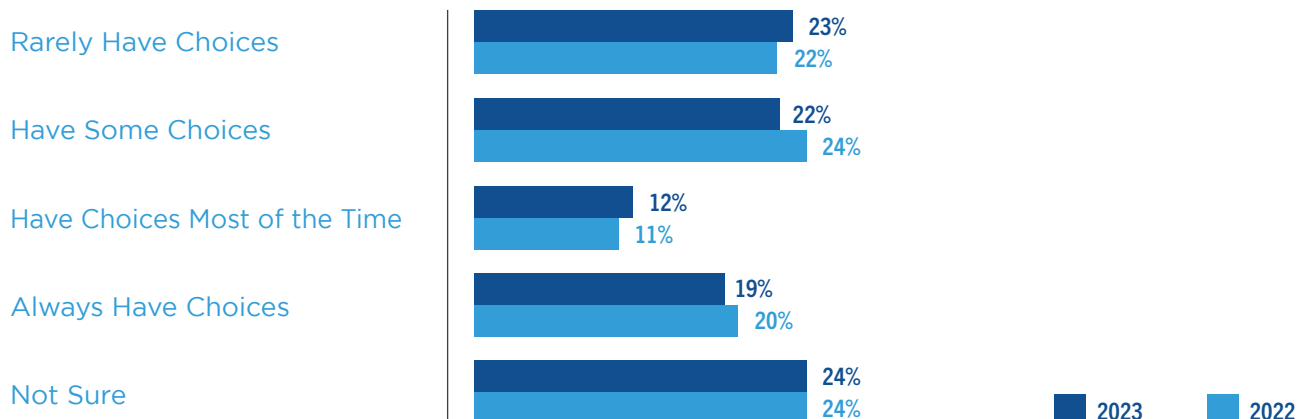


— DAVID | MCTS RIDER

Overall, would you say the Milwaukee County Transit System...



Alternatives to Riding the Bus



INVESTMENTS TO IMPROVE SERVICE



Throughout the year, we heard from many voices about the valuable role MCTS plays in their daily lives. MCTS responded in a number of ways to increase rider satisfaction.

Investing in the Rider Experience

- » 98% success rate of all service promised.
- » 78 bus stops were made ADA-accessible through a collaboration with the Wisconsin Department of Transportation, the City of Milwaukee, and other municipalities in Milwaukee County.
- » 20 bus shelters replaced.
- » 6 bus shelters added at stops that previously had none.
- » 2,002 cleanings of new CONNECT 1 BRT stations.
- » Implemented a more modern, real-time bus tracking IT infrastructure which will make planning and tracking trips more accurate.

Making It Easier to Ride the Bus

- » 3 WisGo partnerships created to make regional transit seamless (Waukesha started in 2023, and Beloit and Racine will start in 2024).
- » 169,710 Umo Mobile App downloads.
- » 98,594 WisGo cards distributed.
- » 79,394 full fare cards.
- » 19,200 reduced fare cards.
- » 10% cash usage has reached a historical low due to the convenience of online payment forms.
- » 168 WisGo retail outlets, which is 43% more than the previous fare collection system.
- » 32 ticket vending machines installed at CONNECT 1 BRT stations serve cash and credit card riders.
- » 450 WisGo cards sold online through new RideMCTS.com shop.



I've had my WisGo card since April, and I love it. I've been riding MCTS for 39 years. I ride the bus all day, every day. I depend on MCTS for my doctor appointments—vision and dentist. **Once I reach my \$4 a day, the rest of the day is free...** MCTS is the only way that I can get around. I do not drive at all."

— TERESA | MCTS RIDER



[MCTS is a] **Great place to work** if you have a servant's heart and a positive attitude!!!"

— SURVEY RESPONSE |
MCTS EMPLOYEE
ENGAGEMENT SURVEY

Investments in People

- » 160 bus operators hired, which is up from 122 in 2022.
- » 10.9% organizational turnover (improved from 20.5% in 2022).
- » 15.5% operator turnover (improved from 22.5% in 2022).
- » 68 Equity Training attendees.

Investing in Facilities

- » Continuation of modernizing workspaces to ensure efficiency, safety standards and ADA compliance.
- » Completed the Battery Electric Bus infrastructure and charging equipment at Kinnickinnic facility.
- » Modernized radio communications on buses with the implementation of Radio over IP system.

Investments in Security

- » \$500,000 Investment in updated Closed Circuit Television Systems (CCTV) at MCTS Fleet, Fond Du Lac and Kinnickinnic facilities.
- » Established a Battery Electric Bus safety program for first responders from Milwaukee Fire and Police Departments; West Allis Fire Department.
- » 330 Commendations for Bus Operators demonstrating MCTS Excellence.
- » 39 safety patches awarded in 2023: 26 five-year-, eight 10-year-, two 15-year-, and three 20-year patches.

Investing in the Community

- » 63 Community outreach events, sessions, and initiatives which reached over 10,000 individuals.
- » Developed social service agency partnerships on housing insecurity and mental health, including Milwaukee County Behavioral Health Division.
- » 12 teens serving on the MCTS Teen Advisory Council.
- » 51 Transportation employees trained in Narcan use for overdose prevention.

“

The MCTS
Commuter Value
Pass...allows
companies such
as Northwestern
Mutual to **support
transportation
alternatives for
their employees
at a fraction
of the normal
cost of other
transportation
modes...** knowing
that they will
receive the highest
level of service at
the lowest price.”

— CARL SCHATTSCHNEIDER |
VP - CAMPUS AND EVENT
EXPERIENCES,
NORTHWESTERN MUTUAL

“

**I think planners
need to hear how
young people
experience the
city,** where
they're going,
how they're
riding the bus...”

— DANIEL | MCTS RIDER



Photo by Visit Milwaukee

Getting Employees to Work

The Commuter Value Pass (CVP) is a unique corporate commuter initiative that allows companies to provide transportation for their employees at a fraction of the normal cost, providing tax benefits to both the employer and employee.

- » 46 clients in the Commuter Value Pass program.
- » 1,400 employees participate.

Getting University Students to Class

The University Pass (U-Pass) gets students not only to classes, but also to jobs, libraries, grocery shopping and anywhere else they need using MCTS services.

- » Five universities participate in the program.
- » 40,402 students served.

SERVING PARATRANSIT RIDERS



Transit Plus provides me with a quality of life I enjoy, as well as quality of life for other persons with disabilities in Milwaukee County.”

— DAVID | MCTS RIDER



The Transit Plus van helps people get things taken care of that they wouldn't be able to do otherwise. I could not get places without the van. It is a necessary service for people with disabilities.”

— JIM | MCTS RIDER

One of the most significant challenges in 2023 was the transition to new services, a modern fare collection system, and new service providers for Transit Plus riders. This includes changes in van providers, taxi services, a new WisGo fare collection system, and the first-ever Bus Rapid Transit System, the CONNECT 1.

Paratransit 2023 Notable Accomplishments

- » Transition to a single paratransit van provider.
- » Assisted Transit Plus bus riders with conversion to new account-based fare collection system.
- » Completed overhaul of Transit Plus Rider's Guide and other brochures.
- » Provided ADA sensitivity and securement training for new and veteran bus operators.
- » Developed and installed Braille enhancements to BRT Ticket Vending Machines.
- » Provided customer support for the launch of the BRT and end of M•Card.
- » Community Outreach for increased bus ridership among seniors and persons with disabilities.
- » Participation in Milwaukee County's Paratransit Taxi Task Force.
- » Implemented convenient online ordering for Transit Plus tickets on RideMCTS.com.
- » Passed FTA Drug and Alcohol audit.
- » Executed a contract to pick up stranded fixed route riders in mobility devices.

350,779

paratransit van rides

19,825

paratransit taxi rides

80,121

Transit Plus pass bus rides

1,975

paratransit assessments completed

34,076

mobility device boardings on the bus

75

paratransit outreach presentations

98

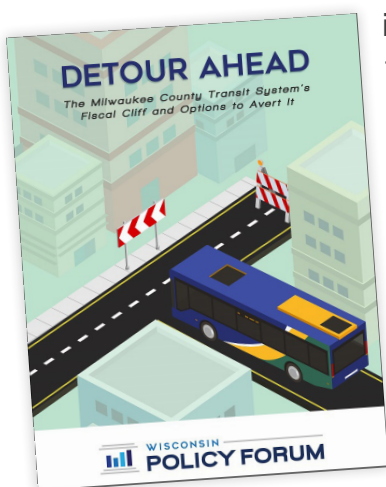
travel training sessions

152

new bus operators trained

LOOKING FORWARD

» **Unquestionably, the passage of the special Milwaukee County sales tax was a huge financial shot in the arm for MCTS, and one of the highlights of 2023.** However, this revenue represents only a partial solution to the ongoing funding challenges facing the system. Like many other urban transit systems, MCTS



is still reeling from the financial hit delivered by the COVID pandemic, which came on the heels of already stagnating state and local revenues leading to ridership declines and long-term funding challenges.

While it is tempting to address budget challenges with service reductions, we have repeatedly seen (in Milwaukee and other U.S. cities) the negative impact that such reductions have had on ridership and revenue. Slashing service to cut costs inevitably drives riders away, producing a vicious downward cycle. While such cuts would hypothetically eliminate relatively low-ridership routes, they come largely at the expense of our lower-income citizens—in direct

contradiction to the County's mission regarding equity. They would also contradict our efforts to add new and better service designed to recapture riders.

Fortunately, we have made big steps forward in the past year. Milwaukee County's local sales tax revenues have increased, as of January 1, 2024, after the State legislature authorized an increase in the sales tax for Milwaukee County. Revenues from the sales tax increase are required to go to specific county programs. Although transit is not one of those programs, tax levy revenues that had funded these specific programs may now be directed to transit and other county programs as determined by the County Executive and County Board of Supervisors.

The biggest steps have come from service improvements, as evidenced by the success of the CONNECT 1 BRT line, the new fare collection system with fare capping—WisGo card and Umo app, and the route redesign called MCTS NEXT from a few years ago that added 16 high-frequency bus lines. We know that robust, frequent service drives higher demand. The only way to reverse the negative cycle that threatens all transit systems is to provide better service up front. This will, in turn, produce an upward cycle in which more riders justify further improved service—and help us continue to build a stronger political base for sustainable funding.

MILWAUKEE COUNTY TRANSIT SYSTEM EXECUTIVE TEAM



Denise WANDKE
President and
Managing Director



Julie ESCH
Vice President
and Deputy Director



Sandra KELLNER
Chief Administrative
Officer



Tim HOSCH
Chief Financial
Officer



WILLIAM BETHIA
Chief Information
Officer



Immediate Needs

» The current level of deferred maintenance for transit facilities according to the Milwaukee County VFA is \$36.9 million—when figuring soft costs like design, project management, etc., that cost rises to \$55.5 million

To keep the aging bus fleet up to date before buses reach end of life (500k miles or 12 years in service) over the next five years will require an investment of over \$110 million.

30

new buses are needed every year for the next five years.

Modernize

bus shelters and garage facilities.

Find Solutions

for lack of sustainable funding.

Pave The Way

for dedicated funding.

2023 COUNTY LEADERSHIP



**DAVID
CROWLEY**

Milwaukee County
Executive



**DONNA
BROWN-
MARTIN**

Milwaukee County
Department of
Transportation Director

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Deanna Alexander

*Member of the Milwaukee County
Transportation and Transit committee.



Reliable, safe public transit options are paramount in addressing health and economic disparities across our community. **Every day, the Milwaukee County Transit System connects residents with jobs, education, health services, and recreation.** That's why we must continue investing in MCTS, including through the second Bus Rapid Transit line that will serve riders from Oak Creek to Glendale. I'm looking forward to supporting MCTS and transit-oriented development in the years ahead, because this is about creating family-supporting jobs, helping businesses succeed, boosting property values, and fostering vibrant communities."

— **DAVID CROWLEY** |
MILWAUKEE COUNTY
EXECUTIVE

“

Thank You
for supporting
the bus.”

— MCTS EMPLOYEES





MILWAUKEE COUNTY TRANSIT SYSTEM

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