

INTRODUCTION

As part of Coulee Vision 2040 implementation process, the LAPC has conducted a financial analysis to support the identification, evaluation, and prioritization of transportation projects that will be included in the fiscally-constrained Metropolitan Transportation Plan (MTP). The MTP financial analysis demonstrates the balance between expected revenue sources and the estimated costs of projects, otherwise referred to as a fiscally constrained plan. These activities are federally required and are critical to developing a meaningful MTP.

Any tables included in this chapter that forecast future needs and funding include an inflation adjustment to reflect year of expense dollars. Estimated costs are adjusted by an annual inflation factor of 2.4 percent¹ from 2015 to the horizon year 2040.

Tables 7-1 and 7-2 are not adjusted since these tables include historical data which is used to estimate future year revenues.

Values unavailable for current year estimates use the annual average of the previous five years. The use of year-of-expense dollars indicates that corresponding increases in funding will be required to maintain the desired level of preservation, maintenance, and expansion.

HISTORICAL FUNDING

FUNDING FROM LOCAL SOURCES

Expenditure and revenue data were collected from multiple sources including the Wisconsin Department of Revenue, the Wisconsin Department of Transportation (WisDOT), the Minnesota Office of the State Auditor, the LAPC, and individual counties and municipalities.² These data are summarized by county or municipality,

¹ The inflation factor of 2.4% is based on an estimate provided by the Wisconsin State Transportation Improvement Program (STIP). As stated in the STIP, the inflationary rate is based on the current ten year average change in the Consumer Price Index and matches the rate assumed by Wisconsin MPOs in their TIPs and long range plans.

² It should be noted that expenditures for 2013 were not available on the States websites. Any values included for 2013 were provided by the respective municipality and may not represent end-of-the year amounts. These values are included for informational purposes only.

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type of transportation activity (including a breakdown of highway maintenance), and funding source (i.e. Federal, State and local).

Table 7-1 summarizes historical transportation expenses by county and municipality for 2010-2014. Expenses include construction, the local share of projects funded with state and/or federal dollars, State Highway Aids, and transit costs.

TABLE 7-1: SUMMARY OF HISTORICAL TRANSPORTATION EXPENSES BY MUNICIPALITY (\$X1000)

Municipality	2010	2011	2012	2013	2014
Houston County	\$9,011	\$8,401	\$9,403	\$12,679	\$9,413
C. La Crescent	\$548	\$919	\$1,322	\$1,354	\$1,075
T. La Crescent	\$137	\$167	\$136	\$139	\$159
Winona County	\$10,750	\$12,542	\$14,072	\$14,410	\$11,175
T. Dresbach	\$115	\$105	\$65	\$33	\$94
La Crosse County	\$6,385	\$5,532	\$7,017	\$9,703	\$6,226
C. La Crosse	\$24,013	\$19,956	\$28,803	\$29,494	\$24,957
C. Onalaska	\$2,133	\$3,672	\$3,131	\$3,300	\$3,009
V. Holmen	\$913	\$786	\$741	\$759	\$821
V. West Salem	\$609	\$412	\$1,368	\$518	\$716
T. Barre	\$91	\$136	\$65	\$67	\$105
T. Campbell	\$340	\$242	\$256	\$247	\$270
T. Greenfield	\$304	\$168	\$225	\$230	\$244
T. Hamilton	\$373	\$329	\$300	\$307	\$360
T. Holland	\$282	\$348	\$345	\$353	\$328
T. Medary	\$112	\$165	\$68	\$80	\$104
T. Onalaska	\$530	\$435	\$444	\$454	\$520
T. Shelby	\$691	\$788	\$662	\$677	\$844
Planning Area	\$57,338	\$55,102	\$68,423	\$74,806	\$60,422

Sources: The Minnesota County Finances Report, the Minnesota City Finances Report, and the Minnesota Town Finances Report from the Minnesota Office of the State Auditor; the Expenditures Report and the County and Municipal Revenues and Expenditures Report published by the Wisconsin Department of Revenue.

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FUNDING FROM FEDERAL AND STATE SOURCES

Table 7-2 illustrates historic revenues from federal and state sources for transportation projects listed in the LAPC TIP from 2010-2014.

TABLE 7-2: HISTORICAL STATE & FEDERAL HIGHWAY & TRANSIT FUNDING (\$X1000)

Funding Source:	2010	2011	2012	2013	2014
Federal Street and Highway	\$11,860	\$12,145	\$12,437	\$12,735	\$13,041
State Street and Highway	\$5,307	\$5,435	\$5,565	\$5,699	\$5,835
Transit (Federal)	\$2,818	\$2,886	\$2,955	\$3,026	\$3,099
Transit (Minnesota)	\$89	\$91	\$93	\$96	\$98
Transit (Wisconsin)	\$2,101	\$2,151	\$2,203	\$2,256	\$2,310
Local Match	\$4,359	\$4,463	\$4,570	\$4,680	\$4,792
Planning Area:	\$26,534	\$27,171	\$27,823	\$28,491	\$29,175

PROJECTED FUNDING

Estimates of future funding of state and federal programs were provided by WisDOT. Costs for programs funded by the state but managed by the municipalities are included in and forecast with local historical and future costs. Federal, State and local funding programs and sources are subject to change depending on program restructuring.

SHORT-RANGE FUNDING (2015-2018)

Table 7-3 illustrates short-range funding projections for 2015 – 2018 based on TIP funding and local funding (average of total expenses found in **Table 7-1**).

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TABLE 7-3: SHORT-RANGE FUNDING PROJECTIONS (2015 - 2018) (X \$1000 WITH 2.4% ANNUAL INFLATION FACTOR)

Funding Source / Program		2015-2018
Federal Highway Administration	Interstate Highway Maintenance, National Highway System, Surface Transportation Program, etc.	\$98,301
Federal Transit Administration	Urban Area Formula Program (5307), Transit Capital Investment Grants (5309), Enhanced Mobility of Seniors and Individuals with Disabilities (5310), etc.	\$24,266
U.S. Department of Health & Human Services	Medical Assistance (Transit)	\$145
Total Federal		\$122,711
Wisconsin State Transit Funds	State Urban Mass Transit Operating Assistance Program (85.20), County Elderly and Disabled Transportation Assistance (85.21), etc.	\$5,737
Minnesota State Transit Funds	La Crescent Transit Operating Assistance	\$270
Wisconsin State Funds (Non-Transit)	State Funds (SF, MAJOR) and State Shares of Federal (Non Transit) Projects	\$26,292
Minnesota State Funds (Non-Transit)	State Funds (SF) and State Shares of Federal (Non Transit) Projects	\$162,362
Total State		\$194,660
Local Funds (Local Share of State and Federal funded projects and local costs)	Local Funds (Wisconsin)	\$146,736
	Local Funds (Minnesota)	\$10,300
Total Local		\$157,036
Total Programmed Projects		\$474,407

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MID- AND LONG-RANGE FUNDING (2019-2040)

Mid- and long-range funding projections illustrated in **Table 7-4** include constant dollar and year-of-expense dollar assumptions for state and federal programs, transit funding, and local expenses.

TABLE 7-4: MID- AND LONG-RANGE FUNDING PROJECTIONS (2019 - 2040) (\$ X 1000 WITH 2.4% ANNUAL INFLATION FACTOR)

Funding Source	Project or Program	2015-2018	2019-2040 (2015\$)	2019-2040 (Year of Funding \$)
WisDOT Funding Projections	State Highway Expansion	\$0	\$0	\$0
	Wisconsin Majors Program ¹	\$140,000	\$140,000	\$157,626
	Combined Backbone and non-Backbone	\$4,681	\$102,998	\$139,428
	STH "Low Cost" Bridges	\$169	\$3,715	\$5,029
	STH Maintenance and Operations	\$3,466	\$76,241	\$103,207
Transit	Federal and State (Average 2010-2013 TIP)	\$3,150	\$69,312	\$93,826
Local ²	Wisconsin Local (2005 - 2009 Average)	\$32,533	\$715,728	\$968,870
	Minnesota Local (2005 - 2009 Average)	\$2,134	\$46,946	\$63,549
MnDOT Federal & State funding	Estimate based on past funding	\$1,238	\$1,238	\$1,433
Total:		\$165,367	\$1,134,173	\$1,509,265

¹Anticipated construction year of 2025.

² Includes State Transportation Aids.

FUTURE NEEDS

PROJECT COST ESTIMATES

The existing and committed project list was updated for the MTP to include projects submitted by a sponsoring agency (i.e. State of Wisconsin, State of Minnesota, La Crosse County, municipality). Current projects in the 2015-2018 TIP are considered committed projects as funding is dedicated for implementation. The priority projects identified are consistent with local and regional goals established for the MTP.

Additional evaluation of these projects will aid in determining financial feasibility.

Table 7-5 summarizes some of the significant construction projects programmed in the LAPC transportation improvement program (TIP). The entire project list can be seen on the LAPC website at www.lapc.org.

TABLE 7-5: EXISTING & COMMITTED PROJECTS, 2015-2018

Project	Description	Year	Estimated Cost (x\$1000)
USH 53/12th Ave extended	New roadway between CTH SS and Gillette St	2020-2024	\$149,000
STH 16	Expansion to 4-Lanes (Landfill Rd to Vets Park in West Salem)	2016	\$13,206.5
STH 16 (La Crosse St)	Oakland Ave to Losey Blvd	2020	\$3,139.5
I-90 auxiliary lanes	Between exits at STH 35 (53 South) and STH 157 (53 North)	2013-2017	\$25,818.6
STH 35	Poplar St to USH 53	2016	\$12,962.6
STH 16 (Cass St)	4th St to 7th St	2017	\$2,974.6
USH 14 (South Ave/ Mormon Coulee Rd)	Green Bay St to Ward Ave	2017-2020	\$8,901.5
STH 33 (Jackson St)	3rd Street to 19th St	2020	\$6,501.5
Riders Club Rd	STH 35 to Sand Lake Rd (STH S)	2018	\$1,484.6

Illustrative Projects include:

- Theater Rd. from CTH PH to STH 16
- CTH OS (East Main St.) from STH 16 to Market Place Dr.
- STH 16 Multipurpose Trail from CTH PH to Landfill Rd.
- East Main St./Green Coulee Rd. – Corridor Improvements
- STH 33 (Jackson St.) 19th St. to Losey Blvd. Reconstruct

LONG-RANGE PRESERVATION AND RECONSTRUCTION NEEDS

Given the projected funding over the next 25 years, the LAPC must strategically invest in transportation projects that will best preserve the existing and future transportation infrastructure. Strategic project investment will enhance regional transportation mobility and support priorities such as improving safety, supporting economic development, and reducing congestion. The top priorities of the LAPC – promoting a smarter regional growth pattern, encouraging the expansion of regional transit service, and focusing on the use of technology to enhance travel safety and efficiency –all have positive impacts on preserving the existing transportation infrastructure by making more efficient use of current assets.

The *Coulee Region Transportation Study* seeks to resolve transportation issues between I-90 and USH 14/61. The strategies that come out of the study must address safety, infrastructure deterioration, congestion, multimodal deficiencies, and the environment, and support economic development and livability. The LAPC has prioritized the use of existing transportation infrastructure over new roads, if possible, to address congestion in the region.

Table 7-6 illustrates the estimated preservation and reconstruction needs for the total planning area for State and U.S. highways based on one preservation treatment and one reconstruction during the 25-year planning horizon. This table does not include costs for roadway expansion, new roadways or bridges, intersection and ramp costs. Anticipated projects will occur in the final 15 years of the planning horizon (2015 – 2040). Costs have been adjusted for inflation with an increase of 2.4 percent per year.

TABLE 7-6: STATE AND US ROADS PRESERVATION AND RECONSTRUCTION COSTS (2015 - 2040) (\$ X 1000)

Roadway Type	Lanes	Miles	Preservation (2015 \$)	Reconstruction (2015 \$)	Preservation & Reconstruction (2015 \$)	Preservation & Reconstruction (Year of Expense \$)
Rural	2	13.8	\$3,905	\$23,424	\$27,329	\$34,931
Urban	2	22.9	\$15,524	\$64,683	\$80,207	\$102,520
Rural	4	14.7	\$8,309	\$48,193	\$56,502	\$72,221
Urban	4	63.5	\$85,834	\$350,489	\$436,323	\$557,703
Planning Area Total:		115.1	\$113,572	\$486,790	\$600,361	\$767,375

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Table 7-7 illustrates estimated total planning area local roads preservation and reconstruction needs based on one preservation treatment and one reconstruction during the 25-year planning horizon. Costs have been adjusted for inflation with an increase of 2.4 percent for 2015 – 2040.

TABLE 7-7: LOCAL ROADS PRESERVATION & RECONSTRUCTION COSTS (2015 - 2040) (\$ X1000)

Road Type	Total Preservation (2015 \$)	Total Reconstruction (2015 \$)	Preservation & Reconstruction (2015 \$)	Preservation & Reconstruction (Year of Expense \$)
With Curb	\$27,816	\$222,536	\$250,353	\$319,999
Without Curb	\$31,512	\$25,209	\$56,721	\$72,500
Planning Area Total:	\$59,328	\$247,745	\$307,073	\$392,498

TRANSIT FUNDING

MTU's current transit funding sources are dependent on the system's operational performance. A major indicator of transit service performance is assessed using the Transit Capacity & Quality of Service (TCQS) framework for the region's fixed-route service. Regional boards and public input also help in prioritizing funding decisions toward the region's transit assets. The following summarizes transit revenues and expenses.

REVENUES

There are four major areas of funding contributing toward MTU's annual revenue. Federal, State and local fund revenues account for the majority of the system's funding share while fare revenue and other funding sources provide a smaller share of the annual revenue.

Table 7-8 illustrates historical and estimated total MTU revenues from 2012-2018. Based on information from the MTU, revenues have been adjusted for inflation using a 1.0 percent annual increase. Current year estimates are based on historical five-year averages. Estimated revenues from 2019-2040 total \$146 million.

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TABLE 7-8: MTU OPERATING REVENUES (2012 - 2018) (\$ X 1000)

Revenues	2012	2013	2014	2015	2016	2017	2018
Fare Revenue	\$1,380	\$1,393	\$1,407	\$1,421	\$1,436	\$1,450	\$1,465
Local Funds	\$693	\$700	\$707	\$715	\$722	\$729	\$736
State Funds	\$1,548	\$1,563	\$1,579	\$1,595	\$1,611	\$1,627	\$1,643
Federal Funds	\$1,800	\$1,818	\$1,836	\$1,854	\$1,873	\$1,892	\$1,910
Other Funds	\$146	\$148	\$149	\$151	\$152	\$154	\$155
Total	\$5,567	\$5,622	\$5,679	\$5,735	\$5,793	\$5,851	\$5,909

EXPENSES

MTU expenses are mainly comprised of administration costs such as wages and benefits. Other expenses include insurance, utilities, marketing, asset purchases and maintenance. **Table 7-9** illustrates historical and estimated total MTU expenses from 2012-2018. Based on information from the MTU, expenses have been adjusted for inflation using a 2.4 percent annual increase. Current year estimates are based on historical five year averages. Estimated expenses from 2019-2040 total \$188 million.

TABLE 7-9: MTU OPERATING EXPENSES, 2012-2018 (\$ X 1000)

Expenses	2012	2013	2014	2015	2016	2017	2018
Administration (wages & benefits)	\$3,361	\$3,442	\$3,524	\$3,609	\$3,696	\$3,784	\$3,875
Insurance, Utilities, Marketing, other	\$255	\$261	\$267	\$274	\$280	\$287	\$294
ADA Purchased Transportation	\$1,066	\$1,091	\$1,118	\$1,144	\$1,172	\$1,200	\$1,229
Fuel and Maintenance	\$885	\$906	\$928	\$950	\$973	\$996	\$1,020
Total	\$5,567	\$5,700	\$5,837	\$5,977	\$6,121	\$6,268	\$6,418

TRANSIT ASSESSMENT

An assessment of current revenues and expenditures helps to plan for and prioritize future transit needs within the community. The projected long-term funding gap between 2019 and 2040 totals roughly \$42 million based on revenue and expense estimates. Understanding this shortfall of funding, it is important to leverage existing transit assets and future community needs to identify priority areas for transit investment. Increased utilization of the transit system's assets will maximize

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funding capabilities and help to preserve service levels at the current levels. Better utilizing available revenue and limiting expenses will aid in the transit system's long term sustainability.

Current revenue and expenditure inflation rates contribute heavily to the shortfall of MTU funding. Based on input from MTU, projected operating revenues will increase at 1.0 percent annually while operating expenses will increase at 2.4 percent annually. This gap, along with other funding factors, would cause MTU to experience a substantial funding gap as you get closer to the 2040 planning horizon. According to current estimates, the funding gap between revenues and expenses will increase from \$241,823 in 2015 to \$508,806 in 2018. As mentioned earlier, this trend projected to 2040 creates a total funding shortfall of \$42 million. For MTU, this is a substantial gap and potentially threatens the long-term sustainability of the transit service.

Given the projected financial situation, a sustainable funding solution is needed to maintain existing service levels, and to provide for future service expansion. Given the current funding situation for Federal, State and local governments, the most likely scenario is that transit funding will remain relatively constant in future years. As such, this funding situation highlights the importance of identifying additional alternative funding mechanisms to maintain current service levels. Currently, fare revenue accounts for roughly 25 percent of MTU operating revenue. While increasing ridership and fare revenue is one way to increase funding, it is unrealistic to expect transit fares to cover the future revenue gap.

As previously stated, the LAPC has had discussions regarding the need to invest in the existing transit, and in fact grow the service to provide enhanced regional coverage. The *Coulee Vision 2050* study went as far to recommend the implementation of a Regional Transit Authority (RTA). An RTA would provide a new funding mechanism for the region that would close the project funding gap and ultimately help maintain a state of good repair and expand service coverage. The LAPC is committed to advancing the concept of the RTA structure and as such, this is priority in the implementation section of the plan.

SUMMARY OF LONG-RANGE NEEDS AND FUNDING

Table 7-10 shows that anticipated preservation and reconstruction needs will exceed projected funding. Several actions are possible to address this shortfall.

Preservation of the existing transportation system and assets remains a high priority for the LAPC. These costs represent the highest need and local revenues represent the largest portion of funding. Considering the high cost of preservation, sometimes additional funding from Federal and State sources is necessary to cover cost overruns. However, these funds can be unpredictable. Other funding sources such as grant opportunities may present themselves and provide additional funding. Knowing this, LAPC staff will coordinate awareness of available programs and grants to assist area municipalities in securing eligible funding.

LAPC staff will also assist the county and other municipalities in estimating and prioritizing preservation and reconstruction needs. Maintenance dollars must be spent to achieve the best long-term value and align with the goals of Coulee Vision.

While preservation needs are many, the LAPC must continue to emphasize a balance between expansion and preservation projects. The LAPC has developed a system of prioritizing projects that are subject to strategic selection due to limited funding. This process also ensures that projects address the MTP goals, as well as other regional goals set forth in studies such as *Coulee Vision 2050*. The on-going *Coulee Region Transportation Study* also sets forth goals and the results of this study will have significant impact on future infrastructure decisions in the region. More information regarding the project selection process is contained in the LAPC annual TIP.

Ultimately, the LAPC is committed to more efficient use of existing transportation assets and increased investment in transit and non-motorized facilities to address the areas regional mobility needs.

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TABLE 7-10: SUMMARY OF LONG-RANGE NEEDS AND FUNDING (2015-2040) (\$X 1000)

Long-Range Needs and Funding	\$2015	Year of Expense \$
<i>Anticipated Needs</i>		
Programmed Projects (2010 - 2013, includes transit)	\$322,928	\$363,824
Projected Transit Costs (2015 - 2040) ¹	\$69,312	\$93,826
Anticipated Preservation Projects (2015 - 2040)	\$36,592	\$76,211
Anticipated Expansion Projects (2015 - 2040)	\$90,072	\$101,484
Anticipated New Roadway Projects (2015 - 2040)	\$47,288	\$53,672
Local Roads Preservation & Reconstruction (2015 - 2040) ²	\$301,725	\$386,306
State & US Highways Preservation and Reconstruction (2015 - 2040) ³	\$747,207	\$895,953
Planning Area Total	\$1,615,123	\$1,971,276
<i>Long-Range Funding</i>		
Programmed Projects (2015 - 2018, includes transit)	\$322,928	\$363,824
Projected Transit Costs (2015 - 2040)	\$69,312	\$93,826
Projected Federal and State Funding (2015 - 2040, STH)	\$300,950	\$381,588
Projected Local Funding (2015 - 2040)	\$762,673	\$1,033,853
Planning Area Total	\$1,455,863	\$1,873,090

¹Needs and Funding Costs are inflated at 2.4% per year

²Anticipated Preservation and Reconstruction Project costs are subtracted from total needs

³Includes unanticipated Expansion, Structures and Intersections