

## ***Metro Transit***

### **2026 Capital Budget Request Summary**

#### **Request by Proposal**

<b>Project/Program Name</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
Electric Transit Buses and Charging Equipment	14,000,000	14,400,000	14,850,000	15,300,000	15,800,000	16,590,000
Equipment and Facility Systems	445,000	460,000	480,000	495,000	510,000	535,500
Transit Speed and Reliability Projects	490,000	510,000	530,000	550,000	570,000	598,500
<b>Total</b>	<b>14,935,000</b>	<b>15,370,000</b>	<b>15,860,000</b>	<b>16,345,000</b>	<b>16,880,000</b>	<b>17,724,000</b>

#### **Request by Funding Source - GO Borrowing vs. Other**

##### **2026 Request**

<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>
GO Borrowing	3,512,500	3,620,000	3,740,000	3,857,500	3,985,000	4,184,250
Other	11,422,500	11,750,000	12,120,000	12,487,500	12,895,000	13,539,750
<b>Total</b>	<b>14,935,000</b>	<b>15,370,000</b>	<b>15,860,000</b>	<b>16,345,000</b>	<b>16,880,000</b>	<b>17,724,000</b>

##### **Prior Year CIP**

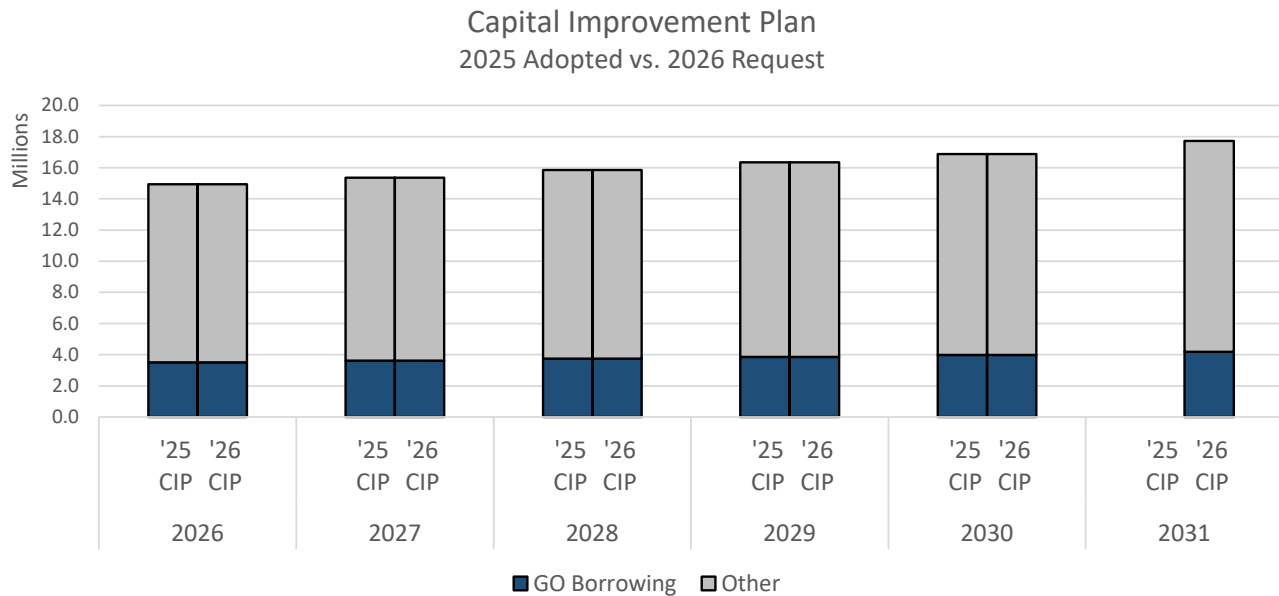
<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
GO Borrowing	3,512,500	3,620,000	3,740,000	3,857,500	3,985,000
Other	11,422,500	11,750,000	12,120,000	12,487,500	12,895,000
<b>Total</b>	<b>14,935,000</b>	<b>15,370,000</b>	<b>15,860,000</b>	<b>16,345,000</b>	<b>16,880,000</b>

##### **Request vs. Prior Year CIP - Difference**

<b>Funding Source</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
GO Borrowing	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Metro Transit

### 2026 Capital Budget Request Summary



### Major Changes

#### Electric Transit Buses and Charging Equipment

- Agency requested program name change from "Electric Transit Buses and Charging Equipment" to "Transit Buses and Charging Equipment."
- No major changes in budgeted amounts compared to 2025 Adopted CIP.

#### Equipment and Facility Systems

- No major changes compared to 2025 Adopted CIP.

#### Transit Speed and Reliability Projects

- No major changes compared to 2025 Adopted CIP.

TO: Satya Rhodes-Conway, Mayor  
David Schmiedicke, Finance Director

FROM: Justin Stuehrenberg, Metro General Manager

DATE: 4/18/2025

SUBJECT: Metro Capital Budget Transmittal Memo

Dear Mayor Rhodes-Conway and Mr. Schmiedicke:

I am pleased to present Metro's proposed 2026 Capital Budget. This budget simply continues the CIP as proposed in last year's budget, with some slight adjustments in terminology, to maintain a state of good repair for our equipment. This, in turn, minimizes inefficient operations that could add to our operating budget.

#### **Summary of Changes from 2025 Capital Improvement Plan**

Metro is proposing no material changes from the 2025 Capital Improvement Plan. The only change is in the language of program 85001 to provide flexibility in the type of buses purchased and to clarify that upgrades to buses are also an allowable expense, such as retrofitting security doors into buses.

#### **Risk Assessment of Federal Funding**

The largest component of Metro's capital budget is in bus replacement, which is heavily reliant upon federal funds. Fortunately, Metro's formula funding has not yet been placed at risk, so the likelihood of those being eliminated is small comparably to other grant programs.

However, if funds were not available, Metro would likely pause any bus replacement for some period. Because we've been successful in turning over our fleet, we have some cushion to wait on replacements and keep older buses in service longer. This cushion does have a limit though and delaying those replacements more than two years or so will likely begin to impact our operating budget in higher maintenance costs and fuel usage, while also risking fleet availability numbers and associated service impacts.

#### **Prioritized List of Capital Requests**

In keeping consistent with 2025, we desire to keep Metro stable for years to come are therefore continuing to prioritize programs that have the biggest potential to save on long term operating cost and benefit our customers. For these reasons, the following prioritization is re-proposed from 2025:

1. Equipment and Facility Systems – This is relatively low cost and can improve our efficiency and wasted effort on repairs of equipment.
2. Transit Speed and Reliability Projects – This also has the potential to reduce Metro's operating cost while bringing in additional riders, and fares, for years to come.

3. Electric Transit Buses and Charging Infrastructure – Keeping our fleet in a state of good repair is critical to managing maintenance costs and providing a good product. However, due to the relative higher costs compared to the first two items, this is slightly lower on the list.

### **Enterprise Agencies Only**

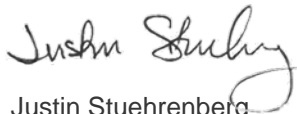
Although Metro is an enterprise agency, we are still primarily subsidy-supported and adding debt to Metro's balance sheet would not change revenues or rates. The City would instead just need to increase the operating subsidy to offset that cost. For that reason, Metro would propose borrowing to be from the General Fund to avoid an increase in levy-limited operating funds.

Metro is not planning any fare increases at this time.

### **Closing**

Thank you for your consideration and I look forward to discussing further.

Sincerely,



Justin Stuehrenberg

General Manager

Metro Transit

608-267-8777

[jstuehrenberg@cityofmadison.com](mailto:jstuehrenberg@cityofmadison.com)

# 2026 Capital Improvement Plan

## Program Budget Proposal

### Identifying Information

Agency	Metro Transit	New or Existing Project	Existing
Proposal Name	Electric Transit Buses and Charging Equipment	Project Type	Program
Project Number	85001	2026 Project Number	

#### Project Description

This program is for the replacement of fixed route transit buses with new buses, plus bus system upgrades and charging infrastructure. The program's goal is to maintain an updated and fully functional fleet of vehicles for Metro Transit's fixed route service. Metro typically targets the replacement of 1/12th of the fleet each year to ensure a consistent mix of new and old. This program was formally known as "Transit Coaches".

#### Budget Comparison

	2026	2027	2028	2029	2030	2031
<b>2025 CIP Total</b>	\$ 14,000,000	\$ 14,400,000	\$ 14,850,000	\$ 15,300,000	\$ 15,800,000	
<b>2026 CIP Total</b>	\$ 14,000,000	\$ 14,400,000	\$ 14,850,000	\$ 15,300,000	\$ 15,800,000	\$ 16,590,000
<b>Difference '26 vs. '25</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,590,000

#### Requested 2026 Budget by Funding Source

Funding Source	2026	2027	2028	2029	2030	2031
Borrowing - Non-GF GO	\$ 2,800,000	\$ 2,880,000	\$ 2,970,000	\$ 3,060,000	\$ 3,160,000	\$ 3,318,000
Federal Sources	\$ 11,200,000	\$ 11,520,000	\$ 11,880,000	\$ 12,240,000	\$ 12,640,000	\$ 13,272,000
<b>Total</b>	<b>\$ 14,000,000</b>	<b>\$ 14,400,000</b>	<b>\$ 14,850,000</b>	<b>\$ 15,300,000</b>	<b>\$ 15,800,000</b>	<b>\$ 16,590,000</b>

#### Requested 2026 Budget by Expense Type

Expense Type	2026	2027	2028	2029	2030	2031
Machinery and Equipment	\$ 14,000,000	\$ 14,400,000	\$ 14,850,000	\$ 15,300,000	\$ 15,800,000	\$ 16,590,000
<b>Total</b>	<b>\$ 14,000,000</b>	<b>\$ 14,400,000</b>	<b>\$ 14,850,000</b>	<b>\$ 15,300,000</b>	<b>\$ 15,800,000</b>	<b>\$ 16,590,000</b>

Explain any changes from the 2025 CIP in the proposed funding for this project/program

No change in dollars. Propose removing "electric" from the title and a slight change in the text to reflect flexibility to use on vehicle retrofits, such as security doors.

TIF funding is included in this request:	No
Impact Fees are included in this request:	No

*Request does not include TIF or Impact Fees. Skip Supplemental Budget Info.*

## Project Information

Agency: Metro Transit

Project/Program: Electric Transit Buses and Charging Equipment

## Project Schedule and Location

Complete the table below for each year of requested funding. If detailed project plans are not available, explain why and when this information will be available.

- For **programs**, detail the minor projects that will occur and provide location detail when necessary.
- For **projects**, detail costs across the major project phases (planning, design, or construction/implementation).

[illegible]

## Additional Information

### Facility Expenses

Does the proposal include facility expenses?	Yes
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Yes

## Technology

Does the proposal include a technology component (e.g. electronic hardware, upgrades or migrations of existing systems, website changes, technology-related operating costs such as software licenses)?	No
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No

Over the next six years, will the project/program require any of the following operating expenses:

Facilities or land maintenance?	Yes
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Yes

Software or software licenses?	No
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No

Vehicle setup or maintenance costs?	Yes
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Yes

External management or consulting contracts?	Yes
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Yes

Additional FTE positions for ongoing operations of this project/program?	No
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No

Is this project/program required to meet the Percent for Arts ordinance? No

☐ No

Percent for Art requirements detailed in MGO Section 4.30

Please provide additional information in the following section.

## Project Information

Agency: Metro Transit

Project/Program: Electric Transit Buses and Charging Equipment

## Additional Information (Continued)

If you answered "Yes" to any of the "Additional Information" questions above, please provide additional details in the next section. If a specific section is not relevant, you can enter "N/A"

### Facility Expenses

If the proposal includes City site/building/facility expenses, has the proposal been reviewed by City Engineering Facilities?

Yes

Explain how you developed the facilities cost estimate for the budget request.

There may be some facility-related work for chargers, but it is not fully defined yet. Any work would be closely coordinated with City Engineering.

### Technology

Technology components may include:

- Electronic hardware that will be connected to a City device (e.g. wireless, bluetooth, cable, NFC)
- A new website or changes to an existing website
- Changes to existing software or processes, including upgrades or additional modules
- Technology-related operating costs (e.g. software licenses, Software as a Service subscriptions)

If the proposal includes a technology component, have you worked with your IT Project Portfolio Manager to discuss the project?

N/A

[If no, please reach out to your Project Portfolio Manager so that their business analysis can be included in the request.](#)

Do you believe any of the hardware or software to be considered surveillance technology?

N/A

[Surveillance technology is defined in MGO Sec. 23.63\(2\).](#)

If yes, please reach out to Sarah Edgerton prior to submitting your budget request.

The Government Accounting Standards Board (GASB) recently issued a statement (GASB 96) for subscription-based information technology arrangements (SBITAs). Per GASB 96, ongoing licensing and subscription costs, including software as a service (SaaS) expenses should be budgeted as an operating expense. Software costs should **not** be requested in your capital budget. Answer the questions below so the Finance Department is aware of your software needs for the operating budget request process.

Does your project or program require purchasing software licenses?

No

Does your project or program require purchasing implementation services or other one-time costs?

No

### Operating Expenses

Estimate the project/program annual operating costs. Include software costs if applicable.

Description - please detail operating costs by major where available	Annual Costs
Equipment is replacing older diesel equipment with new, more efficient, equipment.	
Net impact likely to be a savings.	

### Percent for Art

If your project is required to meet the Percent for Art ordinance, is this expense included in the expense table on the "Project Information" tab?

N/A

# 2026 Capital Improvement Plan

## Program Budget Proposal

### Identifying Information

Agency	Metro Transit	New or Existing Project	Existing
Proposal Name	Equipment and Facility Systems	Project Type	Program
Project Number	14879	2026 Project Number	

#### Project Description

This program includes a variety of equipment needed to support Metro's maintenance unit. This includes, but is not limited to, tools, vehicles for field staff, maintenance equipment such as forklifts and floor scrubbers, and small-scale building system repairs such as heating units and generators. Expenditures are based on a Transit Asset Management (TAM) plan which Metro is required to maintain as a recipient of Federal funding.

#### Budget Comparison

	2026	2027	2028	2029	2030	2031
<b>2025 CIP Total</b>	\$ 445,000	\$ 460,000	\$ 480,000	\$ 495,000	\$ 510,000	
<b>2026 CIP Total</b>	\$ 445,000	\$ 460,000	\$ 480,000	\$ 495,000	\$ 510,000	\$ 535,500
<b>Difference '26 vs. '25</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535,500

#### Requested 2026 Budget by Funding Source

Funding Source	2026	2027	2028	2029	2030	2031
Borrowing - Non-GF GO	\$ 222,500	\$ 230,000	\$ 240,000	\$ 247,500	\$ 255,000	\$ 267,750
Federal Sources	\$ 222,500	\$ 230,000	\$ 240,000	\$ 247,500	\$ 255,000	\$ 267,750
<b>Total</b>	<b>\$ 445,000</b>	<b>\$ 460,000</b>	<b>\$ 480,000</b>	<b>\$ 495,000</b>	<b>\$ 510,000</b>	<b>\$ 535,500</b>

#### Requested 2026 Budget by Expense Type

Expense Type	2026	2027	2028	2029	2030	2031
Machinery and Equipment	\$ 445,000	\$ 460,000	\$ 480,000	\$ 495,000	\$ 510,000	\$ 535,500
<b>Total</b>	<b>\$ 445,000</b>	<b>\$ 460,000</b>	<b>\$ 480,000</b>	<b>\$ 495,000</b>	<b>\$ 510,000</b>	<b>\$ 535,500</b>

Explain any changes from the 2025 CIP in the proposed funding for this project/program

TIF funding is included in this request:	No
Impact Fees are included in this request:	No

*Request does not include TIF or Impact Fees. Skip Supplemental Budget Info.*



## Project Information

Agency: Metro Transit

Project/Program: Equipment and Facility Systems

## Project Schedule and Location

Complete the table below for each year of requested funding. If detailed project plans are not available, explain why and when this information will be available.

- For **programs**, detail the minor projects that will occur and provide location detail when necessary.
- For **projects**, detail costs across the major project phases (planning, design, or construction/implementation).

[illegible]

## Additional Information

### Facility Expenses

Does the proposal include facility expenses?	Yes
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Yes

## Technology

Does the proposal include a technology component (e.g. electronic hardware, upgrades or migrations of existing systems, website changes, technology-related operating costs such as software licenses)?	No
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No

Over the next six years, will the project/program require any of the following operating expenses:

Facilities or land maintenance?	No
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No

Software or software licenses?	No
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No

Vehicle setup or maintenance costs?	Yes
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Yes

External management or consulting contracts?	No
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No

Additional FTE positions for ongoing operations of this project/program?	No
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No

Is this project/program required to meet the Percent for Arts ordinance? No

☐ No

Percent for Art requirements detailed in MGO Section 4.30

Please provide additional information in the following section.

## Project Information

Agency: Metro Transit

Project/Program: Equipment and Facility Systems

## Additional Information (Continued)

If you answered "Yes" to any of the "Additional Information" questions above, please provide additional details in the next section. If a specific section is not relevant, you can enter "N/A"

### Facility Expenses

If the proposal includes City site/building/facility expenses, has the proposal been reviewed by City Engineering Facilities?

Yes

Explain how you developed the facilities cost estimate for the budget request.

The facility-related expenses are allowances for small items, like an AC unit, that might come up for replacement or major repair. By having a small capital budget to replace that equipment, we can avoid a large operating cost to repair it (since a repair cannot be capitalized). There are not specific replacements named, so they have not been reviewed with engineering. However, we work very closely with them and I have have no concerns with making sure we are both coordinated on any replacements.

### Technology

Technology components may include:

- Electronic hardware that will be connected to a City device (e.g. wireless, bluetooth, cable, NFC)
- A new website or changes to an existing website
- Changes to existing software or processes, including upgrades or additional modules
- Technology-related operating costs (e.g. software licenses, Software as a Service subscriptions)

If the proposal includes a technology component, have you worked with your IT Project Portfolio Manager to discuss the project?

N/A

[If no, please reach out to your Project Portfolio Manager so that their business analysis can be included in the request.](#)

Do you believe any of the hardware or software to be considered surveillance technology?

N/A

[Surveillance technology is defined in MGO Sec. 23.63\(2\).](#)

If yes, please reach out to Sarah Edgerton prior to submitting your budget request.

The Government Accounting Standards Board (GASB) recently issued a statement (GASB 96) for subscription-based information technology arrangements (SBITAs). Per GASB 96, ongoing licensing and subscription costs, including software as a service (SaaS) expenses should be budgeted as an operating expense. Software costs should **not** be requested in your capital budget. Answer the questions below so the Finance Department is aware of your software needs for the operating budget request process.

Does your project or program require purchasing software licenses?

No

Does your project or program require purchasing implementation services or other one-time costs?

No

### Operating Expenses

Estimate the project/program annual operating costs. Include software costs if applicable.

Description - please detail operating costs by major where available	Annual Costs
Any operating budget impact would be for the better because we are replacing older equipment with new that should be more efficient and require less repair.	
But that's very difficult to quantify, so would just say no impact.	

### Percent for Art

If your project is required to meet the Percent for Art ordinance, is this expense included in the expense table on the "Project Information" tab?

N/A

# 2026 Capital Improvement Plan

## Program Budget Proposal

### Identifying Information

Agency	Metro Transit	New or Existing Project	Existing
Proposal Name	Transit Speed and Reliability Projects	Project Type	Program
Project Number	14880	2026 Project Number	

#### Project Description

This program includes a variety of small-scale street projects intended to make bus service faster and more reliable or convenient for customers to use. Projects could include, but are not limited to, bus stop changes, dedicated bus lanes, sidewalk connections, new traffic signals, and street geometry changes.

#### Budget Comparison

	2026	2027	2028	2029	2030	2031
2025 CIP Total	\$ 490,000	\$ 510,000	\$ 530,000	\$ 550,000	\$ 570,000	
2026 CIP Total	\$ 490,000	\$ 510,000	\$ 530,000	\$ 550,000	\$ 570,000	\$ 598,500
Difference '26 vs. '25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 598,500

#### Requested 2026 Budget by Funding Source

Funding Source	2026	2027	2028	2029	2030	2031
Borrowing - Non-GF GO	\$ 490,000	\$ 510,000	\$ 530,000	\$ 550,000	\$ 570,000	\$ 598,500
<b>Total</b>	<b>\$ 490,000</b>	<b>\$ 510,000</b>	<b>\$ 530,000</b>	<b>\$ 550,000</b>	<b>\$ 570,000</b>	<b>\$ 598,500</b>

#### Requested 2026 Budget by Expense Type

Expense Type	2026	2027	2028	2029	2030	2031
Street	\$ 490,000	\$ 510,000	\$ 530,000	\$ 550,000	\$ 570,000	\$ 598,500
<b>Total</b>	<b>\$ 490,000</b>	<b>\$ 510,000</b>	<b>\$ 530,000</b>	<b>\$ 550,000</b>	<b>\$ 570,000</b>	<b>\$ 598,500</b>

Explain any changes from the 2025 CIP in the proposed funding for this project/program

TIF funding is included in this request:	No
Impact Fees are included in this request:	No

*Request does not include TIF or Impact Fees. Skip Supplemental Budget Info.*

## Project Information

Agency: Metro Transit

Project/Program: Transit Speed and Reliability Projects

## Project Schedule and Location

Complete the table below for each year of requested funding. If detailed project plans are not available, explain why and when this information will be available.

- For **programs**, detail the minor projects that will occur and provide location detail when necessary.
- For **projects**, detail costs across the major project phases (planning, design, or construction/implementation).

[illegible]

## Additional Information

### Facility Expenses

Does the proposal include facility expenses?	No
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No

## Technology

Does the proposal include a technology component (e.g. electronic hardware, upgrades or migrations of existing systems, website changes, technology-related operating costs such as software licenses)?	No
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No

Over the next six years, will the project/program require any of the following operating expenses:

Facilities or land maintenance?	No
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No

Software or software licenses?	No
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No

Vehicle setup or maintenance costs?	No
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No

External management or consulting contracts?	Yes
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Yes

Additional FTE positions for ongoing operations of this project/program?	No
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No

Is this project/program required to meet the Percent for Arts ordinance?	No
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☐ No

[Percent for Art requirements detailed in MGO Section 4.30](#)

Please provide additional information in the following section.

## Project Information

Agency: Metro Transit

Project/Program: Transit Speed and Reliability Projects

## Additional Information (Continued)

If you answered "Yes" to any of the "Additional Information" questions above, please provide additional details in the next section. If a specific section is not relevant, you can enter "N/A"

### Facility Expenses

If the proposal includes City site/building/facility expenses, has the proposal been reviewed by City Engineering Facilities?

N/A

Explain how you developed the facilities cost estimate for the budget request.

### Technology

Technology components may include:

- Electronic hardware that will be connected to a City device (e.g. wireless, bluetooth, cable, NFC)
- A new website or changes to an existing website
- Changes to existing software or processes, including upgrades or additional modules
- Technology-related operating costs (e.g. software licenses, Software as a Service subscriptions)

If the proposal includes a technology component, have you worked with your IT Project Portfolio Manager to discuss the project?

No

[If no, please reach out to your Project Portfolio Manager so that their business analysis can be included in the request.](#)

Do you believe any of the hardware or software to be considered surveillance technology?

No

[Surveillance technology is defined in MGO Sec. 23.63\(2\).](#)

If yes, please reach out to Sarah Edgerton prior to submitting your budget request.

The Government Accounting Standards Board (GASB) recently issued a statement (GASB 96) for subscription-based information technology arrangements (SBITAs). Per GASB 96, ongoing licensing and subscription costs, including software as a service (SaaS) expenses should be budgeted as an operating expense. Software costs should **not** be requested in your capital budget. Answer the questions below so the Finance Department is aware of your software needs for the operating budget request process.

Does your project or program require purchasing software licenses?

No

Does your project or program require purchasing implementation services or other one-time costs?

No

### Operating Expenses

Estimate the project/program annual operating costs. Include software costs if applicable.

Description - please detail operating costs by major where available	Annual Costs
Projects are intended to reduce operating costs over time, but may take time to be realized.	
Assumed Zero for this purpose, but should be savings over time.	

### Percent for Art

If your project is required to meet the Percent for Art ordinance, is this expense included in the expense table on the "Project Information" tab?

N/A