City of Madison

Meeting Minutes - Approved

TRANSIT AND PARKING COMMISSION

Tuesday, December 9, 2008 | **5:00 PM** | **Room 260, Madison Municipal Building, 215 Martin Luther King, Jr. Blvd. (After 6 PM, use Doty St. entrance.)**

A. CALL TO ORDER/ROLL CALL

The meeting was called to order at 5:02 PM.

Present: 11 -

Margaret Bergamini; Brian L. Solomon; Robbie Webber; Jed Sanborn; Carl D. DuRocher; Amanda F. White; Gary L. Poulson; Duane F. Hinz; Sharon L. McCabe; Kevin L. Hoag and Kenneth M. Streit

B. APPROVAL OF MINUTES

A motion was made by Poulson, seconded by Webber, to Approve the Minutes of the November 6, 2008 meeting. The motion passed by voice vote/other.

C. PUBLIC APPEARANCES - None.

D. TRANSIT AND PARKING MONTHLY REPORTS

D.1. 12936 — Parking: October 2008 Revenue & November Activity Report - TPC 12.09.08

Hinz/Webber moved to receive the report. The motion carried unanimously.

D.2. 12938 — Metro YTD Performance Indicator Reports - TPC 12.09.08

Poulson/Solomon moved to receive the report. The motion carried unanimously.

E. UNFINISHED BUSINESS ITEMS

E.1. 12930 — Discussion and Action on Metro Transit Fare and Revenue Options - TPC 12.09.08

Durocher invited public registrants to speak first, before hearing from Metro and proceeding to member discussion of the issue.

Aron Love, 4570 Thurston Lane, Apt. 1, Fitchburg, 53711, spoke in opposition to a fare increase. He was a regular Metro rider, and didn't make a lot of money. He used to buy a monthly pass, but found it hard to get the money together for that, so now he either used cash fares or the 10-ride option when he could afford it. If the fare were to increase to $2.00, he would probably have to walk, with the distance to his job being eight miles one way. He also could pay gas money to a friend, who had a car and would help him get around.

Bill Tangney, 2706 Union Street, 53704, spoke in opposition to a fare increase. He mentioned that he was a member of four City committees, and cared very much about the city and how its citizens were treated. He had always thought of Madison as a kind city and had been proud to be here. The decision made by the Mayor and the 12 alders had caused him some sadness and embarrassment. Though the budget had been passed, he would have gladly paid 50¢ or $1.00 more a week on his property taxes to help pay for the expense, rather than to know that people on welfare or working at menial jobs would have to pay five times that much every week. He asked that if it were possible, to let him pay, because he was concerned about these economically marginalized folks. When elected people campaigned, they implied caring for these people; but this had not been demonstrated, and this disturbed Tangney. He recognized that he might not be reappointed to a few positions, and that would also make him sad. The majority was heard and the majority was told, "We don't care what you think." Tangney concluded by saying that he was glad he didn't have the difficult job held by the TPC or Kamp, and thanked them all.

Steve Hartley, Chief of Staff for the Madison Metropolitan School District, who served on the Board of Education Liaison Committee, spoke about the impact of a fare increase on the School District. He stated that MMSD had a close, strong working relationship with Metro. He also pointed out that Metro was the primary way that middle and high school students had to get to school.

Citing statistics from a November 26, 2008 memo he had sent to the Commission, Hartley said that MMSD provided semester bus passes to indigent students who qualified for free/reduced lunch – about 43% of all its students.

· In 2008-09, MMSD purchased 4,664 passes at $112.56 each for a total cost of $1,050,000. In addition to this, MMSD paid an $800K subsidy to Metro.

· Based on a prior agreement with Metro, in 2009-10, MMSD would be paying $125/pass, for a total cost of $1,116,000 – a $66K increase over this year.

· For 2010-11, the district could pay as much as $150/pass, reflecting a $283K increase over the previous year.

An increase would have a major impact on the District, and as a result, Hartley made two requests: If possible, keep the cost of the pass for indigent students at $125 after 2009-10; and if this was not possible, develop a five-year phase-in plan with the district (rather than requiring a sizeable one-year jump).

In response to questions, Hartley said that the money for this program came out of MMSD's Fund 10 operational funds, which derived mainly from property taxes. Need for passes was determined by a student's eligibility for free/reduced lunch, and that number was steadily growing – 17 out of 36 elementary schools now had over 50% of students in poverty. Transportation for elementary schools was contracted separately with yellow buses. The $800K subsidy went towards the "dodger buses" that Metro provided.

Durocher noted that later in the Agenda was an item related to changes in federal rules about school buses, which could have broader implications than the fare considerations.

Kamp then clarified that what was shown in Metro's Table was the

non-indigent pass rate that would be paid by families who purchased passes on their own, and that MMSD got a special rate for indigent students separate from what was shown in the Table. Revenues from MMSD for passes for indigent students was shown in the budget that passed, but was not reflected in the $762,934 (adopted budget) revenue shown in the Table – which represented strictly new passenger revenues. He added that according to the standing agreement with MMSD, the indigent pass rate would increase to $125 in 2009-10, after which the indigent rate would be set at whatever the normal semester rate was. So the indigent rate for MMSD would be affected by the proposed rate increase starting in 2010-11.

Dave Carrig, 645 Skyview Place, #10, 53713, spoke in opposition to a fare increase. He said the raise affecting low-income riders was not acceptable to him, and thought it onerous and draconian. He thought transit was a basic service that should be provided. Commenting on the Mayor's idea to use the extra revenue to improve service, Carrig said these improvements would serve only those people who could afford to ride the bus, while those who couldn't afford them would fall through the cracks. He thought allowing low-income people to ride was more important than providing more security and marketing. He also talked about air quality issues and recent warnings advisories to people with lung conditions. Fare increases would decrease ridership and increase pollution, and Carrig thought it wrong. While mass transit was not a moneymaker, it had to be done, hopefully for the largest amount of people possible.

Lisa Subeck, 818 Gammon Road, #4, 53719, spoke in opposition to a fare increase. Referring to her latest 12/09/08 email to Commission members, she talked about some of the cities that provided some version of low-income bus fares or passes (i.e., Columbia, MO, Tuscon AZ, Charleston, SC, Bend, OR, Iowa City, IA, and San Francisco, CA). [PLEASE NOTE: A hard copy or electronic copy of Subeck's complete email is available by contacting Anne Benishek-Clark, 267-8751.]

Subeck said that many cities didn't do an across-the-board discount on all their fares, but instead provided a discount for low-income people simply on their monthly bus pass. Given the trouble that low-income people had pulling together enough money for the pass, a discounted monthly pass would make it more feasible for them to use the monthly fare (and avoiding the cash fare), while still allowing for a cash fare increase without hitting hardest those folks who rode the bus all the time.

Subeck offered a second recommendation, to offer bulk purchasing power to non-profit social service agencies that distribute tickets to low-income people. Her organization, the YWCA, spent a lot of money on this (beyond money spent on the Transit for Jobs program). Just among the homeless providers alone, not including Joining Forces for Families, they spent $240K/year on tickets/passes. That money could be better spent providing other social services; i.e., spending more money on job training than on transit to jobs. She said that if a low-income pass were not provided, that at least a bulk discount (like that for the School District) could be provided to social service agencies for the low-income workers they served.

Laurie Wermter, 847 Williamson Street, #9, 53703, registered in opposition to a

fare increase. A regular rider, Wermter couldn't believe that the meeting went ahead as scheduled despite eight inches of snow and the snow emergency. Due to the inclement weather, many members of the public would be unable to attend, to provide more input and to witness the decision being made on the bus fares. It had been well noted that this was the only City meeting not cancelled that day. Wermter said that an ordinary citizen could only conclude that there was interest in suppressing those interested in pleading to prevent the fare increase.

Durocher read the statement of Michael D. Barrett, 2137 Sommers Avenue, 53704, who registered in opposition to a fare increase, and wrote: A fare hike will backfire. It's Econ 101.

Ted Voth, Jr., 1335 Williamson Street, #2, 53703, spoke in opposition to a fare increase. A pessimistic fellow, Voth shared a vision he had had: When we run out of oil, the very, very wealthy would have armored SUV's, and the military, police and fire departments would have their armored vehicles, and there may or may not be public ambulances. The question was: Would there be public transit? Or would the rest of us be left standing on the side of the road watching convoys of very wealthy people going by, in their armored SUV's with military/police escorts.

Voth said that the decision before the Commission that night was: Would there be a Metro? Metro was being nickeled and dimed to death. He predicted that in coming years there would be service cuts, followed by fare hikes, followed by service cuts, etc. Voth talked about School Superintendent Nerad, who had been talking to the State about the odious tax caps. Referring to the Constitution, Voth said that there was plenty of money to go around, regardless of the odious distribution of our money intended for the general welfare (i.e., the $700 billion bail-out of incompetent bankers).

Aaron Crandall, 107 Proudfit Street, 53715, spoke in opposition to the fare increase. He had a UW pass but was not a frequent bus rider, biking instead. He wondered what he would do if he didn't have the capability to bike and had to completely rely on Metro. He thought this depressing, and realized that many people did have to rely entirely on Metro. He felt a bus fare increase was the wrong approach, because it raised another obstacle to people riding the bus. Crandall felt that Metro needed to be made much more accessible and less confusing. He was also very concerned about low-income people who couldn't afford an increase. He concluded by saying that there were a lot of people in the community opposed to an increase.

Paul O'Leary, 1134 E. Mifflin Street, 53703, spoke in opposition to a fare increase. Having a free bus pass, a fare increase would not ostensibly affect him, but he feared that following a fare increase there would be loss of ridership and subsequent service cuts. He thought it absurd to expect Metro "to earn its keep". The City didn't ask Streets to turn a profit in plowing the streets, or picking up garbage or brush, because these services increased the public good. For a variety of reasons – the environment, the socializing effect – he considered effective, usable public transportation was for the public good, and the bus system should be relieved of the notion of profitability or earning its keep. Public transit should be available just because we were a good city to live in.

Durocher remarked that the discussion was not about making a profit but instead was about how to mitigate the deficit between user fees and the tax levy. It was conceded that Metro operated in a deficit; it was a question of where the money would come from, to make up the deficit. Nobody was under any misconception about Metro making money, or the City would not have acquired it 30 years ago when it was a private company.

With the conclusion of registered speakers, Durocher noted the letter that had been sent to TPC members from the Mayor, outlining his position on a rate increase, and asked Chuck Kamp of Metro to make the staff presentation.

Kamp referred to the Table (Version 2 – Expanded Table of Options) provided by staff, showing Option 1, 2009 adopted budget, and Option 1A. In general, Option 1 was Metro's original budget request, to increase cash fares from $1.50 to $1.75, and to maintain the deep discounts. In the version of the budget submitted and approved – 2009 adopted budget, the cash fare would increase to $2.00 and the other fare types would also be increased but not as much, to maintain the deep discounts. Option 1A reflected a request to look at raising the cash fare to $1.75 and raising some of the other fares more, in order to try to get to the same revenue amount.

Moving to the bottom of the Table and comparing revenues for the three options, Kamp explained the following:

- The revenues shown in the "Total" line were based on a 12-month model.
- The Adopted Budget Revenue line reflected revenues (for 10/12th's of the year) from March on, when any new fares would take effect. The City's share was 80% of this amount.
- The Revised Revenue line included actual paratransit revenues.

Kamp pointed out the information about estimated ridership numbers for each option, along with projected revenues from unlimited ride passes and transfers/non-revenue, and the total annual riders for each option. He also noted that staff recommended the unlimited ride pass rate to be $1.10 in 2009 and $1.15 in 2010. Most of the pass agreements would come up for renewal in 2010, with a handful of contracts coming up for renewal in the second half of 2009.

Kamp talked about the TPC request to have the model reviewed by someone else. Because Abrams-Cherwony was already doing the Management Performance Audit and had done work on elasticity models, Metro asked them to do the review. In their November 17, 2008 memo, they did not recommend any changes to the Metro model (and projections).

Webber had questions about statements in the memo. Referring to the first bullet point, she wondered who the "new riders" would be, and who would be likely to ride more frequently. She also wondered why this was "especially the case" for Metro because it served the host community of a large university. Metro already had an unlimited ride passes for all of the major post-secondary institutions. Kamp thought they were suggesting that as individuals looked at options like the unlimited monthly pass or getting a pass through their employer, there continued to be the ability for people to ride an unlimited number of times with these passes.

Webber asked that since we would not see increased income from unlimited rides, where did Abrams-Cherwony think the additional ridership would come from, if we were losing riders from raising the fare. Kamp pointed out the ridership information at the bottom of Version 2 Table. It showed that ridership would decrease from 5,086,390 to 4,960, 990 under the 2009 adopted budget, acknowledging that ridership would drop. But the numbers for unlimited ride pass ridership showed that they were expected to go up, based on current trends.

Webber said that these unlimited rides would not help the 2009 budget, and it seemed that Abrams-Cherwony was expecting some other category of riders – who paid for rides either through multi-ride fares or cash fares – to go up. And in looking at their second bullet point and the reference to a shift in ridership among fare types, the only types of paying riders (shown in the Table) that seemed to be going up were Youth and Senior/Disabled. Webber said that she had read the memo carefully because she was worried about the impact of changing the fares, and she didn't understand how they reached the conclusion that in losing riders, we would make more money.

Webber then referred to the statement on the second page that said that Metro had never experienced an overall ridership loss with a fare increase. She wondered on what period of time this was based, and wanted to know that it was based on a long enough term that this statement could be reliably made.

After some comments from Durocher about the discussion and registration process, Webber wondered how Abrams-Cherwony had come to the conclusion, that if cash fares went up, Metro would make up the loss of cash riders with increases in other segments of riders. Kamp said he didn't ask them that question. Responding to Webber's question about increases in the area of unlimited ride passes, Kamp said additional revenues were projected because the rate for the UW went up at the start of the academic year, from 88¢ to 95.2¢; and the new rate would be in place throughout 2009, resulting in new revenues from them and other partners. Webber clarified with Kamp that this would have nothing to do with the decision being made that night.

Hinz commented that he didn't think the first bullet point in the Abrams-Cherwony memo was saying anything about fare increases, but rather it addressed the fact of change in ridership, and to keep that in mind. Sanborn interpreted the memo to mean that because there was an underlying trend towards greater ridership across several years, and while a fare increase might decrease that growth, the underlying trend was still there. White said an increase in unlimited ride passes would not affect the 2009 budget and read the memo as Webber had and found it vague; and she would not necessarily use it to sway her judgment either way on the issue.

Poulson/Webber moved to suspend the rules to allow late registrants to speak. The motion passed unanimously.

Tim Wong, 161 Jackson Street, 53704, spoke in opposition to a fare increase. He said that in the past, Madison had appeared to be immune to econometric models that forecast decreased ridership with increased fares. But this couldn't be viewed in a vacuum, and now there was another variable –

gasoline prices. When fares were last increased in 2005, gasoline prices went up higher than the fares, and the two balanced each other out, and in fact ridership continued to increase. Wong felt that we were at the edge of a change, with a big infrastructure stimulus package, which would hopefully stimulate the economy. People hoped that some of this money would be directed away from highways to transit and other non-automobile means of transportation. Should any of this money come, and should the State have 8% (instead of 0-2%) to increase its subsidy, Madison wouldn't need to raise fares in the future to deal with deficit spending due to Iraq and other wasteful expenditures.

Wong strongly urged the TPC to say no to the Mayor's fare increase, and wait until the stimulus package came out to see if the State got money to put into the DOT budget for transit, which would obviate the need for a fare increase. He mentioned the strong language in the The Capital Times editorial opposing an increase, and hoped members would resist the pressure from the Mayor and vote an increase down, including a partial increase to $1.75, which wouldn't accomplish much. He felt the low-income fare proposal had some merit, but he feared it would be the demise of Madison Metro because of the percentage of cash riders in the low-income category; and he felt the other non-low income riders, if asked to pay the differential, would stop riding.

Though never brought forward to the table, a registration statement from Catherine Hixon, 29 E. Wilson, 53703, stated that she opposed a fare increase and that the money should come from DOT and WisDOT.

Solomon then asked Kamp what assumptions regarding ridership were used to when preparing the different fare proposals, esp. when looking at all the different fare types, where some show a small decreases and other show increases even with a fare increase. He wondered what model Metro used to look at those. Kamp said staff used a model that looked at all fare categories and applied elasticity to each category to allow for some transferring between categories; and that model and all of its formulas had been provided to staff to review. For example, the projections for the 31-day S/D pass showed this going up, because this wasn't available throughout all of 2008, but will be throughout 2009. Kamp said that Metro used an elasticity model that staff had reviewed and used to project ridership, which the Finance staff then used to prepare revenue projections. If members had more detailed questions, staff had brought their computers and the model with them.

Solomon recalled that when the Council discussed the budget, if they had passed the additional items that were proposed in the Mayor's budget – all of the service expansion, the marketing specialist, more reserves, and transfer point security – they were looking to fill $682K. Kamp said that the City's share of the $762,934 total projected revenue (under 2009 adopted budget), was $682K. Solomon verified that this was still essentially the projected budget deficit for the coming year, and wondered if anything had changed since the initial figures went in, such as ridership numbers, gas prices, or anything that would impact that number in any way and give members new information to work with (vs. what was available a couple months earlier).

In response, Kamp clarified that the $682K was the projected revenue amount that would balance Metro's budget (as opposed to calling it a deficit). There

had been some changes. Metro had discovered that they had not budgeted $75K in paratransit revenues, so the revised revenue total in the 2009 adopted budget was higher than $762.9K (=$837.9K). The Council adopted a budget with $682K in passenger revenue, which when added to revenues system-wide would be $762.9K. Kamp went on to say that the most recent ridership in October went up by about 6%, and YTD growth was 6%, which was in line with ridership projections. Diesel prices had been locked in at $3.38/gallon in September – the contracted price throughout 2009. Along with carefully monitoring these two variables, Metro kept an eye on line items in the budget, watching for changes in overtime, natural gas costs, etc. But apart from the $75K in paratransit revenues, the adopted budget was still what Metro was projecting as needed for its budget.

Members asked several questions. Solomon verified with Kamp that when considering total system-wide revenue on an annualized basis, both Option 1A and the 2009 adopted budget were projected to raise about $1 million. Kamp noted that the adopted budget took into account the locked-in diesel price of $3.38/gallon.

White wondered if the 2009 budget would balance if the 6% growth in ridership continued, even with the extra investment spending included in the Mayor's budget; or how far short would it fall.

Wayne Block of Metro said he based the "revenue change from current" for each option on the difference between 2008 ridership numbers plus about 4-5% (depending on the fare category) to account for continued increases in ridership without any fare increase, vs. the expected ridership numbers with a fare increase. (Example: The $133,462 revenue change shown for cash fares in Option 1 reflected the difference between a 4-5% growth in current ridership without a fare increase vs. a slight drop in ridership and raising the fare 25¢.)

Hoag mentioned that some "carrots" were held out if fares were increased, such as increased service and security, and asked for more information. Kamp listed what the specific items would be:

- $150K in additional services.
- $100K in additional security.
- $50K for an additional marketing position for unlimited ride passes.
- $235K for the contingency fund, plus an additional $40K taken from Clean Air Action fund, to bring the total for the contingency fund to $275.

Also, there would be a $40K increase in additional money for Transit for Jobs not in Metro's budget.

Streit pointed out that a 4% increase in total current ridership (without a fare increase) would amount to approximately 204K more riders, or about 5.3 million riders in 2009. Solomon observed that the difference in ridership numbers between Streit's number and those shown for the Options was somewhat more dramatic than what was shown. Kamp said that it was true that if fares stayed the same, and with increases of 4-5%, ridership would go up by 200K+, to about 5.3 million; adding that under the adopted budget, ridership was projected to be 4.9 million, essentially slowing the increase because of the fare proposal. Webber noted that projected 2009 ridership in each fare category, if there were no fare increase, was not shown. She confirmed with

Block that we would expect the 2008 numbers to go up 4-5% if there were no increase – and these (higher) 2009 numbers were what should be used to compare ridership in each category.

Solomon made a motion that the Transit and Parking Commission retain the current fare structure, and not recommend any increase in fares. Webber seconded the motion.

Solomon said that he felt transit was a basic service, exactly like police, fire, garbage collection and streets. He admitted to having a deep concerns about having fares at all, much less increasing fares because of the importance of the system. At the same time, he acknowledged Metro's hard work on the budget, and the Mayor's position on this. He wanted people (the general public and riders) to know that this was not an easy decision for anyone – for the Mayor, Metro, or the any of the members of the Commission. He had a great deal of respect for the staff at Metro and for the Mayor, and where they were coming from on this. He just happened to disagree with them.

He outlined the reasons for his position:
· A $2.00 fare for Madison would make it one of the most expensive in the nation, on par with some of the best and largest transit systems in the country; which would not be a fair thing to do for a small system like Madison's.
· He thought the fare increase was intended to end a vicious cycle, but that we were already in a vicious cycle. Just within the last year, we had increased the amount of full bus wraps, decreased service, and now this – raising fares – would complete the trifecta, all of which the vast majority of (transit) consumers, users and customers opposed.
· At some point, everyone involved needed to say that bus customers mattered more than that, and to listen to what they were saying.
· He was extremely concerned about the impact of a fare increase on low-income riders. He had heard a great deal about that at the Council and at the public hearing. He also had 108 signatures on a petition from his own district, from residents on Allied Drive, which stated: "Just say no to the Madison Metro fare increase because of the difficulties and significant hardships it will cause the signer and their family."
· He echoed others that, with the new Administration, there was the possibility of new transit dollars coming soon – another reason to delay as long as possible making decisions that would negatively impact ridership.
· Though a few years away, there also was an RTA in the offing. But in the meantime, we needed to maintain the health of the transit system, which depended on ridership more than anything else.
· Referring to the small business owner who spoke at the hearing, raising prices in a recession was counterintuitive. She and other business owners were slashing prices right now to encourage more people to become customers.
· The $1.75 option put the vast majority of the increase on Choice Riders, whom we could ill afford to lose. Also, if you created a transit system for the poor, you created a poor transit system. Hammering Choice Riders was a huge mistake.
· The $2.00 fare put the burden of the increase on those who could least afford it least.

Solomon said that most people would agree that there were dozens of reasons

not to increase fares. But there was only one reason to increase fares: That would be to increase revenues.

Solomon then distributed a document, entitled "Zero Fare Increase Proposal". He apologized for not sending it out to members more in advance, but he just finished preparing it. He then discussed the charts in the document:

· Across the top of page 1 was a reiteration of the data in Metro's tables related to each option. Revenue for Option 1A and the Adopted Budget was projected to increase by about $1 million; and ridership would decrease by 211,249 with Option 1A and by 125,400 with the Adopted Budget. However, these numbers did not factor in the projected increase in ridership in 2009 if fares were not increased, which would actually result in larger losses in ridership.

· Below this information was data based on the advanced econometric model developed last year by the American Public Transit Association (APTA), based on a survey of 52 transit systems 24 months before and after a fare change. They had tried to isolate all of the impacts of a fare change, and had found that a 10% increase in bus fares resulted in about 4% decrease in ridership. This was a very different result than what had been shown in past models.

· The APTA study stated, "Today's transit users react more severely to fare changes than past models." They also found that transit riders in small cities were more responsive to fare increases, than those in large cities (of one million plus); 4.3% loss in ridership in small cities vs. 3.6% loss in ridership in large cities.

· Using the results of the APTA study: The Option 1A cash fare increase from $1.50 to $1.75 represented a 16.67% fare change, and the Adopted Budget cash fare increase from $1.50 to $2.00 represented a 33.33% fare change. Applying the APTA formula (4.3% decrease in ridership for every 10% increase in fares) to the percentage increases for all the different fare types, resulted in a much larger decrease in ridership than had been projected by Metro – more like a half million decrease in ridership.

· Looking at the top of page 2, projected revenue was divided by ridership, and for such items as the 31-day pass (shaded in green), projected revenue was divided by the proposed fare, in order to determine ticket levels. Ticket levels for the proposed options were shown at the far right.

· The bottom half of page showed what would happen to revenue and ticket levels using the APTA formula: Fare increases would raise about $460K in revenues instead of the $1million projected by Metro, amounting to a $525K difference between the two sets of projections.

Solomon said his point was not to suggest that Metro's numbers were invalid; but to show that applying the data from a highly regarded study brought a different conclusion. And there were other studies that were not even as conservative as APTA's. Solomon said that by prorating the $464K by nine months instead of twelve months, and then multiplying that amount by 80% (the City's share), the result was less money with a fare increase than had been discussed without a fare increase. Considering that the amount was 1% of Metro's total ($50 million) budget and while not discounting the work Metro had done, Solomon urged members to think about the fact that APTA presented another very serious, scientific study that showed a very different result could be achieved, whereby a fare increase would raise nowhere near the revenue being projected. If this were the case, then they would be raising revenue and hurting ridership (the system's long-term health) and our low-income community.

Bergamini thanked Solomon and Metro for all of their hard work, and the public for the tremendous attention and devotion they had shown to this issue, which was a measure of how important Madison Metro was to the community. Commenting that the Metro was a member of APTA, which was the leading industry representative in the U.S., she said that The Washington Post had just published an article that ridership rose a record amount in the third quarter of the year, even as gas prices dropped and unemployment rose. The 6.5% increase was the largest quarterly increase in public transit ridership in 25 years. Also of interest, the largest increases came not in light rail and other "nicer" systems, but on bus systems, where nationally ridership had gone up 7.2%.

Bergamini noted that Metro's September numbers demonstrated continued strong growth in ridership, which was not coming primarily from the unlimited ride pass programs. Her pass program was the largest, and between the last academic year and the prior academic year, its ridership had only increased by 2%, which indicated that growth was also coming from the general fare categories. Bergamini reported that Lansing, Michigan, a city comparable to Madison, where bus ridership had gone up, had just held a referendum and voted to increase property taxes rather than increase fares. She suggested that if necessary, this might be an option to put before Madison voters in April. As second alternate and with everyone in attendance, she could not vote; but she urged other members to vote in favor of Solomon's motion.

Hinz wondered how much experience Metro staff had had with its model, and whether they had gone back and tracked how well it matched the actual conditions (understanding that there were many variables that could happen after a fare increase). Sharon Persich of Metro said that Metro's model dated back to the mid-1990's, when Metro had implemented the deep discount fare structure, still used today. The model had been used for the three or four fare changes since then. Metro had not been able to determine an elasticity because Metro had never had until recently, the ability to track ridership accurately by fare type. But with its recent fare box upgrade, Metro was now able to do that. If there were a fare increase this year, Metro would be able to actually determine what the elasticity was for the various fare types. But Metro's experience with the model and fare increases had been that there were no ridership losses overall. In fact, there had been two or three instances when fares had been increased and service had been reduced as well, and they would have expected to see ridership loss, but they hadn't. But Persich noted that some of this was related to the unlimited ride pass programs, which had been generally increasing since they had been implemented, which could have covered up losses in other fare types. Until now, they had not been able to track this.

Hoag talked about how thoroughly APTA validated its models, separating out other possible impacts. Because Metro's model was now in direct opposition to the APTA result, members needed to be convinced that Metro's model also separated such impacts out and had been validated. He was aware of three factors that were huge, for which members needed data, in order to select Metro's model over the APTA's: 1) the new ride programs; 2) how well Metro had in the past separated out other factors (such as gas prices); and 3) what had happened to parking rates at the same time.

Persich said that Metro's model was not an econometric model of that echelon, but it was a model that applied elasticities to the various ridership categories; at the same time, it assumed that with the deep discount fare structure, when cash fares were increased, some cash users would decide to use 10-ride passes. It assumed the same thing would happen when prices were raised on the 10-ride pass (and keeping discounts proportionate between cash tickets and passes), that people might migrate to the lower-cost per ride, multi-ride media, to save a little money. That was the theory that underlay the model.

With respect to Solomon's calculations using the APTA study, Persich said that the APTA formula was a bit more involved than simply taking the percentage increase and applying 4.3%; how he had done it tended to overestimate the ridership loss. She said she would be happy to show what the formula looked like, since it wasn't necessarily intuitive.

Durocher invited staff to ask questions of Solomon. In response to Kamp, Solomon said the APTA study showed that in urbanized areas of a million or more, for every 10% increase in fares, ridership would decrease by 3.6%; and in urbanized areas of less than a million people, for every 10% increase in fares, ridership would decrease by 4.3%. Kamp asked members to keep in mind that when Metro did its peer analysis, it couldn't compare itself to population, because it was #1 in everything in this comparison. As a result, Metro compared itself to communities like Indianapolis, with a population over a million.

When asked, Solomon said that his model did not take into account any shifting between fare categories (such as from cash fare to 10-ride pass, or from 10-ride pass to 31-day pass). Kamp expressed some concern about this, since this was one of the aspects that the consultants had emphasized in their analysis. When Kamp asked Solomon whether his data was suggesting that Metro's revenue projections were off by about half (using the APTA model), Solomon said that he was not saying that Metro's revenue projections were off at all. Instead, he had wanted to show there was a (different) scientific analysis, which showed that ridership behavior could be very different than what Metro was projecting, which could cause a different result. This didn't invalidate Metro's projections. He just wanted to show a different possibility.

Regarding elasticity vs. population size, Hoag noted that in larger cities, there were many fewer people who owned cars, which made them more transit-dependent. Comparing Madison to smaller cities was the more appropriate approach. Metro's size didn't impact that. Kamp commented that when he discussed this issue with Ed Abrams, Abrams talked in terms of how national models and peer models based on population didn't apply to Madison. He was trying to make the point to advise the Commission that the APTA study didn't take into account the uniqueness of Madison, and the shifting of ridership between different fare categories.

Sanborn talked about the last fare increase, which was complex and involved many more scenarios, in which every fare category was raised except cash. Acknowledging that the increase occurred before gas prices went up (though before the big spike), Sanborn wondered how well Metro's projections (at the time) worked out. Persich said that after the last increase, Metro didn't lose revenue, it had gained revenue; and though they didn't have the fare box equipment at the time to show how fare increases affected each category, she was fairly sure the model had done a good job overall at predicting revenues.

In response to White, Persich said that Metro would be able to track the impact of fare increases (starting now) with the new fare box technology. They didn't have this ability after the last increase. Persich said she had used two methods to estimate revenue impacts for this fare increase. Her approach was ridership-based. She got her info off of the fare box by fare type, and used some small amount of interpolation; but mostly the ridership numbers were accurate counts by fare type. Then she went through and did an elasticity analysis. The ridership and revenues numbers incorporated into the budget were based on work that Wayne Block did in developing the budget. He used an overall trend line projection, based on what ridership was YTD in 2008 compared to last year – using (a conservative) 5% projection for ridership in 2009. Then they had subtracted from that projection what Persich's elasticity model said would happen – what the fare loss associated with the increase would be.

Persich went on to say that it was hard to determine elasticity because she did not yet have historical data, and there was some guesswork involved. She did not use elasticities as high as Solomon's because, based on Metro's past experience, they hadn't seen that kind of loss. She had different elasticities for each fare type; and also considered shift elasticities to account for people who might shift to a different fare type to lower their per-ride fare. A person could play around with the elasticities a lot, and could project a worst-case scenario.

Persich said she had been able to see ridership loss right after previous fare increases, but then found that it started to build back again over the years, especially when Metro had implemented the unlimited ride pass programs (for UW employees in particular). There had been huge migrations from tickets and passes – both went way down – when people received unlimited passes. But then, cash sales and 10-ride passes had continued to grow, which indicated new influx into the system. Metro's ridership turned over 50% every 3-4 years, largely due to students, but also among other riders as well. Bergamini noted that Metro gained new riders among UW staff when parking rates went up on Campus, and there had been shifting.

Bergamini mentioned that some elasticity models took into account service provided (based on miles of service and hours of service), and tracked the impact of service changes over time. With Metro's various service changes in recent years, she wondered if Metro looked at this. Persich said that service elasticities had never been incorporated into Metro's ridership projections.

Hinz wondered how the motion to retain the current fare structure, addressed the deficit in the budget. Solomon said budgets were based on a series of assumptions (as Persich had indicated); and if the motion passed, he didn't want Metro to go into a budget year with a deficit. Therefore he would encourage Metro to use different elasticity models to come up with different revenue projections, like he had done, that showed a far reduced amount of revenue than Metro was currently projecting. He said the reason he brought this up and was pushing for it, was not because he wanted to put Metro in a deficit situation, but because he thought the impact of a fare increase would be far higher on ridership and Metro would end up getting far less revenue than projected. If this were the case, Metro would still end with a deficit over the course of the year, even with a fare increase. And then, Metro would still have to balance their budget, by delaying maintenance or delaying hiring, or putting off some the proposed transit expansions, or other measures, including coming back to TPC to further cut service even with a fare increase.

Solomon said he didn't consider it his prerogative to tell Metro how to budget, which was why he didn't want to put anything firm in his motion about how they would go back to the drawing board to come up with a balanced budget. But he thought there were a lot of opportunities for doing so. And over the next few months, Metro and the Commission would continue to evaluate Metro's finances (as they always did), and make adjustments just as they would any time revenues came in lower or expenses came in higher than expected – just as they would if a fare increase was enacted and Metro ended up not meeting expenses.

White discussed the issue of covering the gap. When she added up all the additional expenditures that 2009 budget included – the security, the marketing, additional services, and the contingency fund – she came to a total of $650K in new spending. While she considered some of these items more important than others, she could see lowering some of the expenditures to help close the gap somewhat.

For example, White didn't think $150K would amount to a lot of additional service, and nothing had been presented showing what would be included and what the impact would be. White wondered how members could justify a fare increase in order to cover fairly minor additional service, especially when considering what harm an increase could do. Also, while she understood the importance of having a contingency fund to use for a rainy day, she felt that Metro was in the middle of a rainy day now, and we shouldn't be using a fare increase to add money to the fund at this time. White considered security a critical item, but wondered if the amount for this could be reduced to $75K. She also considered the Marketing position critical, because it was an investment in securing additional funds for the future to avoid this situation in the future. White said she would wholeheartedly support all of the additional budget items at a different time, but not with this fare increase, which would affect so many people and reverse the historic trend of 6% growth in ridership over the last year.

Hoag said that he had come to meeting fully expecting that members would have no choice but to accept a fare increase, and he was really struggling with that now. What concerned him was that he had not previously been aware that the group's decision would be based on a non-validated model based on a lower elasticity rate than other people used. He acknowledged that everyone would like to think that Madison was unique. However, as an engineer, he wanted models to be data-driven, and he had trouble with basing his decision on a fare increase on a non-validated model. He had heard that the model presented was supported by some speculative things that had worked last time, but people hadn't gone back to tie things together.

Plus, Hoag was concerned that changes in fuel prices and parking rates and

the huge impact of changes due to multi-ride and free passes, which hadn't been factored in. Unprecedented drops in fuel prices would seriously affect people's decisions about how much they would use their cars. Hoag also felt that a bus fare increase needed to be in sync with rate increases in the parking ramps. Current parking rates were a deal compared to other cities. As a result, with apologies to the Mayor's Office, he said he simply couldn't vote for a fare increase, especially knowing the budget had been based on a non-validated model and knowing there were other national models suggesting very different results. He felt the budget would need to be balanced, no matter what was decided.

Sanborn asked Kamp what would happen to status of the contingency fund and what Metro would have to do about the budget, which had already been passed, if the fare increase wasn't approved. When surveying other regional transit authorities (like Lansing) about their contingency reserves, Kamp had heard of reserves that ranged from one to two months, to as much as six months; Ann Arbor kept three months in reserve. For a $50 million budget like Metro's, a one-month reserve (1/12th) would be about $4.2 million. A couple of years ago, Metro had as much as $2 million in its contingency fund. By the end of 2008, it was likely to be between $200-300K; and with the increase in the budget, this would be brought to about $400-500K. From the standpoint of Metro's financial health, Kamp placed a great deal of emphasis on taking care of this. Beyond this, Metro would have to look at its least productive service: the seven major holidays, cutting Sunday service from 16 hours to 8 hours/day. They would also look at not hiring the Marketing position. These were the areas where staff had begun to look, if there were no fare increase.

Durocher noted there would be further specific experience with revenues and expenses as the next few months passed. He wondered if the Commission did nothing and Metro took some of White suggestions for cutting costs and shifted money around, could the group revisit the issue in three or six months. Kamp said theoretically, yes, but practically speaking, it would be very difficult because projections for reductions in Sunday service and major holiday service would have been starting at the beginning of the year. And if projections after three or six months showed that service had to be cut to get there, Kamp was concerned that the level of adjustments would have to be so much higher because Metro would not have had a full year to experience that. Theoretically, it was possible to revisit it, but Kamp did not think it a wise financial strategy.

Solomon reiterated that he didn't think a fare increase proposal would necessarily solve the budget issues as projected. While respecting all the work Metro staff had done, the fare-increase revenue projections were based on ridership levels as estimated by Metro. If the fare increase ended up causing a more dramatic decrease on ridership than proposed, then revenue would not be sufficient to cover the current budget deficit. Given the other reasons to avoid a fare increase, the additional reality that the fare increase may not bring in sufficient revenue was an additional reason to not support it.

Solomon didn't know how Metro could go back and apply a different model to do that. He thought that if the Commission didn't pass a fare increase and a worst-case scenario developed where Metro ended up with a huge gap, deferring or delaying some of the new expenses was a viable option, in

combination with some of the things Kamp had suggested. He did not want to propose no fare increase and then immediately present service cuts; it was his sincere hope that Metro's budget could be fully balanced without raising fares and without cutting service. He acknowledged that his position was based on different assumptions than Metro's, but he felt that they were valid ones and could end up being true.

Sanborn didn't understand what Solomon meant, because Metro staff had said that in a scenario with no fare increase, they were assuming a 5% growth in ridership, which would still result in a $600K+ deficit. Regardless of what Metro was projecting in ridership with increased fares, the deficit would still exist. It seemed that Solomon was arguing that ridership could go up more than 5% if fares weren't raised.

Solomon said he was arguing the opposite: He wasn't arguing that the deficit didn't exist, he was arguing that a fare increase would not, in and of itself, raise sufficient revenues to cover that gap. Moreover, if fare increases raised less money than currently projected, they would still have to have the same exact discussion. Sanborn thought the group needed to have that discussion to some degree now, unless Kamp thought that Metro could defer $600K in expenses.

Bergamini noted that members did not have the baseline information showing ridership projections for 2009 under the assumption of no fare increase. Though not shown, Block said that he had in fact made such projections based on trends in growth within the past one to two years, in order to set up the Options presented to the Commission.

White said that 2008 was a very different year than 2006 or 2007, because so many different things had happened in transit in 2008 across the country, and using averages and making comparisons to these years might not be as accurate as they could be. Block clarified that he had made comparisons from one year to one year, using numbers from September 2006 through August 2007 to see how things were trending and comparing that to September 2007 through August 2008 (when he prepared the information).

Kamp emphasized that staff's estimate of the deficit without a fare increase would be $682K. While allowing that 2008 was a very different year than previous years, Kamp was nonetheless comfortable with the model used by Metro, and wondered what years the APTA study covered to gather its data to do its elasticity analysis. Solomon said APTA had analyzed data from 24 months prior to and 24 months after fare increases in the cities studied, and that the study was very recent, so it would have included the last couple of years.

Hoag reiterated that he was struggling with what to do. He wasn't really comfortable with voting for Solomon's proposal, but he certainly feel comfortable voting for the fare increase either, in light of new information. He wondered what would happen if the Commission waited (which in effect would mean no fare increase at this time). He had a gut feeling that elasticity was far worse than anything they had ever seen; it was the perfect storm of reasons for people not to ride the bus. He wondered if members could get more data, and have a little more time to reflect on what they had. He wondered further if

Metro could go back and look at several levels of elasticity, and different budget scenarios, since $682K represented between a 1-2% shortfall in a $50 million budget.

Streit said that he didn't think members would know anything more by delaying the decision, as far as doing more studies, given the economics of things (economics by Paulson vs. science by Einstein): if there would be reduced ridership over the next six months, whether it was going to happen anyway, whether it was going to happen with a 25¢ increase or whether it was going to happen with a 50¢ increase. He didn't think APTA would know either because all the metropolitan areas in their study would have had incredibly different dynamics as far as unemployment and recessions, etc. Streit thought this was a "jump ball" time, as far as projecting out riderships, given the dynamics and the many other unpredictable factors at play. He thought there might be many other reasons (like gas prices) why ridership could decrease even if the fares were kept the same, and they wouldn't know to what extent a fare increase could change it.

Hinz said he would have to vote against Solomon's motion for a number of reasons. Admitting some bias, he would put more faith in the staff's model than APTA's nationwide model, because he had found when managing the Parking Utility that his own models based on local conditions were more accurate than national models when looking at elasticity and parking rates. Secondly, at the hearing, they had heard from a fair number of people who spoke for increased service and improved security. Thirdly, he thought there was a fare increase in the future, so why put it off? Fourthly, he liked the proposal to try to lower fares for low-income people. As a result, he favored increasing fares by 25¢, and attaching some sort of condition about Metro staff and others working on a reduced fare for low-income riders.

Sanborn agreed with Hinz, and said that he was comfortable trusting the staff model. Staff had presented the same projections at the time of the 2005 increases, which contained many more scenarios than they were seeing now, and evidently they were pretty good because there had not been any emergency budget problems subsequently. Like Streit, he felt that no one really knew what would happen with gas prices, which could influence things a lot.

Sanborn also noted that the public hearing was supposed to be about fare increases, but in fact he witnessed a public hearing that was about service complaints. Registrants said that service was not frequent enough, that buses were too slow to get places. Some wanted heaters in shelters that were inadequate and too drafty and more security, and some saw a need to redesign the whole system. A few people spoke about why fares should not be raised; but most people did not, and instead talked about better bus service. He thought members needed to take this to heart, that at a hearing about fares what really surfaced were concerns about service. He acknowledged that the proposed fare increase would not mean that all of these improvements could be made, but it would help -- not only in 2009, but also going forward into future years.

Sanborn then commented on the idea that the buses were a public service like police and fire, and that they shouldn't have any fares. It was a legitimate philosophical discussion, but he wanted to point out that there were all kinds of user fees in City government, such as building permits, licenses, sidewalk repairs, curb and gutters in new developments, gas taxes, ambulance fees. Police service was available to all people all of the time, and it would be difficult to allocate their time and costs. But bus service involved a person using the service – the passenger. Sanborn noted that just 16% of the total cost of bus service was charged to the passenger.

Sanborn said that he thought members should look at historical trends with fares, inflation, and the cost to run Metro. Even raising cash fares to $2.00, which sounded so huge (at 33%), wasn't really, because it really represented a 3.27% per year increase since 2000, which was right in line with inflation. Compared to other costs over that time, the City's subsidy portion had averaged 6% per year, and the total expenses of Metro had been 5%. This increase would not even keep pace with those items. Sanborn thought the increase would be in line with fare trends and with inflation, and it was something the Commission had to do.

Sanborn also said that he fully supported looking at ways to provide tickets or discounts to social service providers. He thanked Lisa Subeck for her ideas. The only concern he had was that he didn't want Metro to get into the business of evaluating people's income and their eligibility. He would rather have people who already performed this function continue to do so, with Metro supporting those institutions. He favored finding ways to help people get monthly passes as opposed to cash fares. It didn't make him happy to raise fares, but looking at all the variables, he thought the increase was equitable. Unless a person was really convinced that Metro should have no fares at all, and that never raising fares was a gradual way to reach that point, he thought the increase made a lot of sense, and members should vote for it that night.

Poulson commented that he was not personally adverse to a fare increase, but that the current economy startled him and he could not think of a worse time to raise fares. While he too heard many comments at the hearing about service improvements, the money allotted in the budget for service would not address these issues, but would be directed to supplemental buses to help overcrowding on buses on main routes. But if a new route were created, and a deficit developed as he anticipated, then the new routes would have to be cut, along with other services like Sunday and holiday hours. Poulson wished there were a different scenario, but he stated that he was going to support Solomon's motion, while truly respecting Metro staff and the hard work they had done and the difficult position they were in. While Poulson thought that fares would probably end up being raised in the future, he thought the good folks at Metro and the Commission would get through the situation, and would be able to solve the problem.

White said that she had been one of the Commission members who voted for the fare increases in 2005, and had been happy with those increases (which did not include an increase to cash fares). So she could not say that she would never support a fare increase, and this decision was a really hard one for her to make. She had appeared before the BOE to oppose a fare increase and had come to that decision for several reasons. First, she had conducted a peer analysis of cash fares (of those peers chosen by Metro that were in the long-term plan of LRMTP), and found that none of them had a $2.00 cash fare.

All of them except for one at $1.75, had cash fares of between $1.00 and $1.50. These were cities like Lincoln, NE, Toledo, OH, Indianapolis, IN, Providence, RI, and Rochester, NY. When she looked at this, she began to wonder why Metro would stray so far from what other good transit systems were doing.

Secondly, White did not think this was the right time to consider a fare increase and to lose ridership (a fact that no one was disputing). She said that we were facing an economic crisis, global environmental problems, and local non-attainment status (now at non-attainment for ozone and approaching non-attainment for particulates). She didn't understand how we could think about losing ridership. We'd been having an historic 6% increase in ridership, and needed to support that in every way possible to make sure that Metro was positioned for the future as we continued to face these environmental and economic problems. As a result, she did not believe raising the fares now was the right way to do that.

White talked about what non-attainment status could mean. It could open up the community to CMAQ funding, federal funding that could be used for transit systems (like Milwaukee). She had talked to CMAQ staff and learned that Metro could apply in 2009 for this. She also believed that there would be a regional transit authority within the next couple years. These two developments offered possibilities for more funding. White thought it best to keep fares at current levels until then. She said she respected the Mayor and his positions on transit, another reason why she found the decision to oppose a fare increase so difficult. She had observed the discussion at the Common Council, and heard many alders say they didn't want to vote for a fare increase and hoped the TPC could figure it out. White concluded by saying that she thought they could figure it out, and the way to figure it out was to avoid a fare increase; and she would be supporting Solomon's motion.

In response to Hinz's comments, Solomon reiterated that it wasn't that he didn't have faith in Metro's model. But rather he was saying that there were other scenarios that were plausible. And also in the worst-case scenario, the biggest difference between Metro's and his position was less than 2% of Metro's total budget – a very small amount. On one side, there was about 1%+ of the total budget, and on the other side was the huge impact on thousands of customers and riders, and all the other non-attainment issues. He noted that the discussion had focused a lot on revenue. But he hoped members would remember what people had said at the hearing: the small business owner who said that in a recession, you do not raise prices; the Choice Rider who said that at $8.00/day, she and her husband would just drive and pay for parking; and the young man who said he would have to pay a friend to drive him around town or he would have to walk.

Solomon also asked members to remember the 108 signatures from the folks on Allied Drive, saying that any increase at all would be a significant hardship and begging them to oppose a fare increase. He felt that it they went to other low-income neighborhoods in Madison to solicit feedback, they would get similar answers. He asked members to think about the families and low-income workers who were struggling so hard right now, esp. in this economy, and to realize how important Metro was to these riders and what a huge impact a fare increase would have on them. He urged support of his motion.

McCabe wondered if fares were not raised, wouldn't cutting service hurt the people they were trying to help. She wondered what their choices were. As an appraiser, she dealt with assumptions and models all the time, and felt that they would never know right away what the ultimate result would be. But it seemed that there wasn't a good choice. If rates were raised, Metro would lose Choice Riders, a lot of families would be decimated and would say they couldn't afford this, and non-profits who support low-income people would be decimated. On the other hand, if rates were not raised, service would have to be cut. She wondered if $1.75 would be a good middle ground. She asked to be reminded what would be cut if fares weren't raised, and what might be saved with an increase to $1.75.

Bergamini noted that they were talking about 1% of the total Metro budget, and a current growth in ridership of 7%. They were talking about a very small tolerance (shortfall), and Bergamini wondered if they would really need to cut services by January. She didn't think so. She thought instead that they needed to hold onto their seats and see what would happen – the same way that other agencies in the City did. Bergamini said she was not a fan of deficit spending or of not having a solid contingency fund. However, in examining the sources of Metro's operating revenues, passenger fares actually made up close to 25% of these, 20% came from the City's General Fund (in the form of property taxes), and 6% came from other communities and the University. Given the harm that would be done to the system and to all the households mentioned, she preferred hanging on and hoping that the 1% would be made up by increased ridership. While everyone wanted service and security improvements, they didn't have plans in hand to do that. Bergamini suggested holding tight and doing as little harm as possible, since they knew of the tremendous harm that would be done to the system and to riders, but they didn't know there would be a tremendous harm to the City budget in the end.

Webber said that there were many places in the 2009 budget that suggested additional costs. In talking to the City Attorney, Solomon and Webber had learned that staff not members determined what would happen to the rest of Metro's budget. She wanted to reiterate what Bergamini said that they didn't know how much of a deficit there might be or if service would have to be cut or if Metro would choose to cut something else besides service. Solomon had suggested that the worst-case scenario would be a small deficit. Webber thought the worst-case scenario would be to raise fares, run a deficit anyway, and then have to cut service. She would rather have Metro change some of their other budget categories, see what the economy did, see what gas prices did, see what parking prices did, see what other forms of funding might come through (from CMAQ). We had a new Legislature, a new federal transportation bill, a new president, and talk of bail-outs. They didn't really know what the economic situation for individuals, for households, for the City, for the State, for the federal government or for Metro would be in 2009. Webber did not want to take the chance of raising fares and having the worst-case scenario (of a deficit and service cuts) play out.

White said that she didn't want to cut service either, and thought that they had options, as Webber had mentioned. She corrected an earlier statement, and said that the new items contained in the budget would actually total $575 (out of $682), which was a quite a bit of extra spending that could be delayed and worked with, if things didn't go as well as hoped.

Streit reminded members that while 1% might not sound like much, in a budget like Metro's that was so largely pre-committed (by wages, fuel prices, etc.), this was not really "discretionary" in nature. He didn't think much could be moved around in Metro's budget. Based on his experience in private industry, Hoag was confident that Metro could find 1% or slightly more.

Kamp responded to the earlier inquiry from McCabe as to what adjustments or cuts might be made, if there were no fare increase. He said that these items would be considered in the following order: the Marketing position (just approved) would not be filled; service could be cut on the seven major holidays (January 1, MLK Day, Memorial Day, July 4, Labor Day, Thanksgiving Day and Christmas), Sunday service would be reduced from 16 hours to 8-12 hours per day. Holidays would be cut first, since these were less productive than Sunday service.

Durocher concluded the discussion with some comments. He remarked that a lot had been said about inflation. He thought the economy was embarking on a deflationary period. Prices were being cut in many sectors. He, White, and Poulson had served on the LRMTP Committee, and he hoped the Report that they prepared would not just sit on a shelf, but would be referred back to, from time to time. They had determined throughout that long study that the health of Metro depended on increasing ridership. Nowhere did it say that the best thing to do for Metro was to raise fares and knock people off the ridership list, thereby to have more cash for more amenities.

Durocher noted that this was a politically hot item, with editorials that made it a very public issue, with a budget from the Mayor's Office, and with reluctance among many members of the Commission to raise fares. He said he had total respect for all his colleagues on the Commission. He thought everyone's arguments came from a real desire to build Metro, to make it work, and to make it serve Madison in the long run; and he thought this was also true about the analysis that had come from the Mayor's Office. The issue had become very political and he wasn't sure how the vote would go. But he would exercise his prerogative and cast his vote with those who were voting in support of Solomon's motion, in solidarity and because of the potential political implications.

The vote was taken and the motion (to retain the current Metro fare structure) passed, with the following vote:

Ayes: Durocher, Solomon, Webber, Hoag, McCabe, Poulson and White.

Noes: Sanborn and Hinz.

Non-voting (alternates): Streit and Bergamini.

PLEASE NOTE: A Roll Call is shown here to reflect that Streit excused himself from the meeting at 8:05 PM, when a recess was called.

Present: 10 -

Margaret Bergamini; Brian L. Solomon; Robbie Webber; Jed Sanborn; Carl D. DuRocher; Amanda F. White; Gary L. Poulson; Duane F. Hinz; Sharon L. McCabe and Kevin L. Hoag

Excused: 1 -

Kenneth M. Streit

E.2. 12493

Metro: Review of bus shelter standards (Page 5 of 2004-2008 Transit Development Program - Service Goals and Standards) - TPC 12.09.08

Before discussing the bus shelter standards shown on page 5 of the document, Kamp noted that Metro was working with the MPO on an update to the Transit Development Program (TDP), and these standards would come back to the Commission as part of that process. He said that in the meantime, Metro used these as guidance.

Poulson said that he had asked for this review of bus shelter standards, and was glad to see the document because he had hoped for something like this when he had previously served on the Commission in the 1990's. He wondered if Metro rechecked to verify numbers when various amenities were added to a stop. Responding for Metro, Mick Rusch said they typically did not do that, but this was mostly a result of not having recently reallocated many shelters. He said that for the criteria for placing benches, 25 boardings would be for an average weekday. Rusch said that until recently, Metro hadn't really had a way to check how many people were boarding at stop. But now with the new automated passenger counters, they could derive a small level of data that could be interpolated to determine average weekday boardings at a stop based on a couple of months of observations.

Rusch said Metro had 2,000+ stops, with about 150 to 200 that had shelters or benches. Webber inquired about how the criteria for shelter locations were used. Rusch said that if these were goals and standards for locating shelters; that the three criteria would be an end test after looking at whether a shelter would physically fit on a location, etc. He added that if the criteria were strictly applied, then some shelters on the periphery might be moved and placed downtown or on Campus. But then that would become a policy question: Did we want to focus strictly on ridership or was there a geographic distribution that should be considered as well? Rusch thought the criteria were goals rather than rules for shelter placement at this point.

Webber wondered if there were a budget or policy for adding shelters, like a certain number per year; was it more of an ad hoc thing; did it require a line item? She also wondered what would happen if something developed at a certain location, and more people were suddenly going to a particular neighborhood. She wondered how Metro decided how much money was spent on shelters when they were needed.

Kamp mentioned that the University was planning to purchase shelters over the next five years, with 10-15 being purchased and placed next year. As a result, Metro was not planning to purchase any right away, and they would probably be using the criteria to help relocate the extra shelters (removed/replaced at the UW stops). Rusch talked about the various ways shelters had been funded in the past through federally funded programs or as part of a TIF districts; or through the Planning Commission's land use applications, for which Metro would make a recommendation to the Planning Commission and the Common Council.

Responding to a question from White, Kamp said the UW shelters were a little

different from Metro shelters, but he knew they were being purchased from a company known for making bus shelters, so he had some confidence about the direction in which they were moving. White expressed concern about the new shelters on the Square, that they did not really protect people from wind and rain, which was why she thought the TPC should work with the UW on the designs for their new shelters. She hoped that some money could be budgeted to put up an extra panel into one of the openings of each of the shelters on the Square.

Durocher underscored White's comments that attention needed to be paid not only to the location of the shelters but also to the construction of the shelters. Along with the openings in the walls of the shelter, he was concerned about the height of the gap below the wall, which provided little protection from the elements as well.

Rusch said he was aware of two extra shelters that could possibly be placed as follows. One could be located inbound on John Nolen Drive, where an concrete slab already existed large enough from an accessibility standpoint to both fit a shelter and allow accessible boarding. The other could be located out in City of Verona along Route 55. Verona had installed boarding pads at all of their stops that were large enough to accommodate a shelter. Typically, Metro staff installed and maintained shelters in the entire Metro service area, but each municipality had a share of the overhead cost based on their share of miles and hours. In the case of the UW, the UW was paying for the purchase and replacement parts of the new Campus shelters, and Metro would maintain them.

Having asked for this review strictly for informational purposes, Poulson admitted that he would love to see a minimum standard for each stop, but that with thousands of them, that was not really feasible. Bergamini said that she would like to see TPC assert itself more in the discussion about designs for future shelters.

E.3. 12935 Proposed TPC Schedule for November & December, 2009 Meetings - TPC 12.09.08

A motion was made by White, seconded by McCabe, to Approve November 5th and December 15th for the regular meeting of the TPC in those months of 2009, to avoid dates chosen for Common Council meetings and budget deliberations. The motion passed by voice vote/other. With dates for the other months previously approved at the November meeting, this completed action on the 2009 regular meeting schedule.

F. NEW BUSINESS ITEMS

F.1. 12601 Authorizing the termination of an Easement for Public Bus Shelter and Bike Rack and accepting a grant of a Limited Non-Exclusive Access Easement for Municipal Transit Purposes (the "Access Easement") from Sherman Plaza, Inc. and authorizing funding of improvements within the Access Easement.

Kamp mentioned that some repairs had been made at the Park and Ride, and the resolution authorized money to pay for them. The previous 30-day cancellation clause in the easement agreement had been replaced with a 10-year termination clause, and the resolution was in keeping with the LRMTP recommendations to do more with Park and Ride lots. Kamp recommended

approval.

A motion was made by Solomon, seconded by Webber, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

F.2. [12925](12925) Proposed Federal Transit Administration Rules re: School Bus Operations - TPC 12.09.08

Kamp noted that while recent changes to charter regulations affected 50-60K rides/year, these new federal rules could potentially seriously disrupt Metro's current arrangement with the Madison School District to provide dodger service (also known as tripper services or supplemental services). These were non-basic City route services provided during the school year, which supplemented Metro's regular fixed routes.

Kamp said that because this was a proposed rule, there was time to comment before February, which Metro was preparing to do. The rule would narrowly define what was an allowable tripper route, and would make irrelevant the court decision involving Green Bay Transit and Lamers, which had been used to guide transit systems over the past 20 years. Kamp felt that the proposed changes would fly in the face of a city, a transit system and a school district working together in a way that made sense. By contrast, he could almost see the logic of the charter rules, with transit systems being seen as competing with private systems once a year or seven times a year. But with something like this, it was very different. Metro was encouraging the City and the School District to send comments about the proposals, along with those Metro would be submitting.

Kamp responded to member questions. He said that he hoped new leadership at the federal level would affect the outcome of the situation, and thought that a letter from the Commission would be helpful. Metro would draft something for the Commission to review at the next meeting.

Kamp also said that its supplemental service was open to the public and was occasionally used by the general public, but that this fact would not be enough to distinguish it from school service under the new definitions, which referred to "what the service was commonly understood to be." Kamp said their dodger services were commonly understood to be school routes. Under the new rules, these routes also couldn't deviate too much in distance from the standard fixed routes.

Durocher suggested that the letter to the FTA include language that the TPC was a predominantly citizen body, and the sole customer of the dodger service was the School District, which was also a taxing authority. It was in the community's best interest not to force the District go out on a competitive basis, which would cost a lot more for the school system. Both the Schools and the City were taxing authorities, and for the Schools to get a good deal from Metro was in the best interest of the community. Durocher saw this as quite different from special events (and charter services), where the customer and event organizers could go out and spend the money. But in this case, the customer was the taxing authority.

When asked, Kamp said that if Metro had to quit providing this service, it

would save Metro a fair amount of money; and he would try to provide some numbers for the next meeting. But some members thought it would not save the School District (and ultimately the community) any money.

G. REPORTS OF OTHER COMMITTEES - for information only (Most recent meeting minutes attached, if available.)

07828

ADA Transit Subcommittee
Contracted Service Oversight Subcommittee
Parking Council for People with Disabilities
Long-Range Transportation Planning Commission
State Street Design Project Oversight Committee
Joint Southeast Campus Area Committee
Long-Range Metro Transit Planning Ad Hoc Committee
Ad Hoc Committee to Develop Parking Strategic Plan

No action was needed on these items.

H. ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

H.1. General announcements by the Chair

Durocher volunteered to fill the TPC vacancy on the LRTPC.

H.2. Commission member items for future agendas

Durocher reiterated the previous request for Metro to draft a letter to the FTA regarding the proposed rules regarding school bus service, for review at the January meeting.

Poulson suggested that there be a discussion at some future meeting to consider forming a subcommittee to review Lisa Subeck's proposals regarding low-income riders.

ADJOURNMENT

A motion was made by Webber, seconded by Poulson, to Adjourn 8:53 PM. The motion passed by voice vote/other.