



City of Madison

Meeting Minutes - Final

TRANSIT AND PARKING COMMISSION

City of Madison
Madison, WI 53703
www.cityofmadison.com

Tuesday, July 25, 2006

5:00 PM

210 Martin Luther King, Jr. Blvd.
Room 103A (City-County Building)

A. CALL TO ORDER

Durocher called the meeting to order at 5:05PM.

Present: Jed Sanborn, Carl D. Durocher, Amanda F. White, Diane L. Paoni, Tim Wong, Sharon L. McCabe, Kevin L. Hoag and Kenneth M. Streit

Excused: Kenneth Golden, Noel T. Radomski and Duane F. Hinz

The following members arrived after the minutes were approved and prior to acceptance of the Transit and Parking Reports: White arrived at 5:12PM, Paoni arrived at 5:13PM, and Wong arrived at 5:17PM.

B. APPROVAL OF MINUTES - 6/13/06 Meeting

Sanborn made a motion to approve the minutes of the June 13, 2006 meeting. McCabe seconded the motion. The motion passed unanimously.

C. PUBLIC COMMENT

Barbara Smith, a resident of 31 Sherman Terrace, Madison, spoke before the group. Smith proposed that informational signs to announce elections be allowed in bus shelters, which could include other general voting information to help people find their polling places, for example. She had heard that there might be legal obstacles to doing this with regard to advertising in a right of way. She expressed the hope that the Commission would consider allowing this non-commercial signage for public information purposes. Smith added that she would like such things as public service announcements, local art and poetry to be posted as well. But most importantly, she felt that general election information - which could be provided by a non-partisan group like the League of Women Voters or Metro staff - should be permitted in bus shelters. She thought that non-partisan voting information could be put inside buses also; and that the LED displays on the front of buses could alternate route numbers with the word, "Vote", during the whole week before an election.

In response to Smith, Catherine Debo said this idea is a legal issue. She said that bus shelters are not like the kiosks on State Street are, where everybody can post announcements or flyers without restraint. Once shelters are made a public forum for advertisements and announcements they would be open to all parties. Should the charter ordinance be changed as proposed, (in Agenda Item F.6., Legislative File #04086), Metro would develop an RFP which would address space availability to non-profits, but only for unsold ad space. These signs would have to be displayed only in designed space and only for items provided to the selected ad vendor. She felt that this was arrangement was a good compromise, to make it possible to provide public service information to the community.

She noted that the interior and exterior of bus are considered a public forum now because they had been used for advertising in the past. She noted that non-profit organizations can currently obtain space in or on buses at no cost (except for the small cost of installing or removing signs) also on a space available basis for a defined period of time - if there is no paid advertising in the space, but that the groups need to go through Metro's ad vendor and provide the signs. She said she thought it likely that the League of Women Voters had provided internal car cards in the past, and perhaps also exterior signs - encouraging people to get out to vote.

Debo went on to say that many buses have long been programmed with the message "Vote today" or something to that effect and have played that message on election days. The newer buses can better be programmed for this purpose. Re-programming destination signs require a long lead-time and is very time consuming. Debo added that children's art had been displayed on buses over the years.

Durocher pointed out to Smith and members that a City Attorney's opinion had been distributed (for Agenda Item F.6.) related to ads in bus shelters.

D. TRANSIT AND PARKING REPORTS

D.1 [04114](#) Parking: May 2006 Revenue Report and June Activity Report

Bill Knobloch commented that there were few surprises contained in the May report. He noted that Overture revenue was \$8,200 over budget (14% above), and he suspected that some people had switched to parking there due to recent rate increases elsewhere. While Parking did not yet have June results (when rates increased), there seemed to be early indications of shifts due to rate increases; as for example at Government East, where the waiting list had gone from 143 in April, to 86 now. He also noted that Buckeye had picked up little bit.

Related to the topic of ad revenues, Knobloch then distributed pictures of public service ads provided by Adams Advertising, that had been placed in some of the parking ramps. He noted that Adams had already contributed \$39K (in retail value) to the public for public service ads. He mentioned that Pat Frawley (at 271-7900) is the contact at Adams Advertising for this effort. Adams charges groups for the labor costs of putting the ads up, which runs about \$50, and they will help with creating the artwork for the ads. Knobloch commented that the ads were very high quality and that most people would be proud to display them.

Turning to the issue of ramp occupancies, Knobloch presented photos taken at peak hours on Monday, June 26th between 10:30-11:30AM, which showed the entirely vacant top floors of various ramps (with the exception of the Brayton ramp). He remarked that part of the reason for these vacancies can be attributed to the UW summer intersession, and added that during the winter, these same ramps would be more full.

In response to a question, Knobloch said that there is very rarely empty sign space in the ramps. He added that Parking is planning to take out some stairwell signs where the ads are smaller and unlit, since they haven't sold as well as they could. He remarked that lit signs produce more revenue, and the best spaces are those closest to entrances or at end of aisles. Referring to an upcoming RFP,

Knobeloch said that Parking would be using some of these prime spaces for its signage also.

McCabe made a motion to accept the report. Streit seconded the motion. The motion passed unanimously.

D.2. [04107](#) Metro YTD May Performance Indicator Reports

Debo noted that ridership was up 7.4% year-to-date (with the report comparing January to May last year to January to May this year). Durocher pointed out that on page 3 of the report, under Expense Indicators, operating costs from 2005 to 2006 went up over \$6 per hour, but the cost per trip went up only one penny. He remarked that, as long as ridership increases concurrently with inflationary costs, there isn't such a negative impact on the cost of providing each ride.

In response to a question about projected decreases in ridership and projected increases in revenues due to fare increases (as shown on page 2 of the report), Debo said that Sharon's fare/ridership comparison report straddles fiscal years so does not explicitly show year-to-date information. However, she reported that Metro was about \$26K ahead of what was budgeted year-to-date for passenger revenues.

White made a motion to accept the report. Sanborn seconded the motion. The motion passed unanimously.

E. OLD BUSINESS

E.1. [04132](#) Draft resolution to create an ad hoc subcommittee on Parking strategic planning - TPC 8.8.06

Because of Golden's interest in this proposal, Sanborn moved to defer this agenda item to a future meeting when Golden would be available. McCabe seconded the motion. The motion passed unanimously.

E.2. [04108](#) Metro Report: Peer System Ad Revenue Information

Debo remarked that this report was provided for informational purposes only.

F. NEW BUSINESS

F.1. [03979](#) SECOND SUBSTITUTE - Authorizing the Mayor and City Clerk to execute a ten year lease with the Swiss Colony Cheese Company for a Park and Ride Lot at Metro Transit's East Transfer Point; and to transfer surplus City of Madison right of way to the Leo Ritter and Company. 15th Ald. Dist.

A motion was made by Sanborn, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER

Debo said the resolution she'd drafted described the elements of the East Transfer Point Park and Ride being proposed, and particularly the unusual feature of a leasing space 9 of 12 months of the year - every year of the agreement. As noted, there is also a provision offering an opportunity to lease on a month-to-month basis for the remaining 3 months of the year, each year. She explained the need for this arrangement: Swiss Colony wasn't sure what their employee parking needs would be during their busiest season (around the Christmas holidays), they didn't want to lock themselves in. During last Christmas season, Metro staff observed there has been sufficient employee parking, and Metro was hopeful that they would be able to lease the space during the remaining three months (of October, November and December) of the year for most, if not all, of the years during the ten-year contract period.

Referring to the drawing and pictures that had been distributed, Debo commented that the new Park and Ride would be nice-looking, and the landscaping would be similar to the Park and Ride at the North Transfer Point. She noted that under the agreement, Swiss Colony would be responsible for the cost of upgrading the lot, and that Metro would only be responsible for the cost of improvements and not for the cost of leasing the land. She said that there would be no cost for the land because a swap had been arranged, whereby the City would transfer surplus right-of-way for a small sliver of land along West Corporate Drive to Leo Ritter and Company.

Debo noted Swiss Colony had already gone out for bids on the cost for improvements. She said that depending on approval of the resolution, Swiss Colony could make improvements this summer and Metro could possibly get into the Park and Ride by the coming fall or winter. Debo noted the complexity and challenges of the situation, because Swiss Colony leases from a party who leases from another party. She went on to say that Metro would capitalize the cost for the nine months, and any monthly costs would come out of Metro's operating budget.

Wong asked about the cost of this project to Metro, and wondered what methodology was used for measuring success at other Park and Rides such as the one at the North Transfer Point. He thought that people who park at these Park and Rides, should pay for parking there (as they do in other cities.) Debo replied that other cities do not usually charge for parking at transfer points (only occasionally at ramps or lots). She added that the point of Park and Rides had always been to create an opportunity to attract an entirely new market to transit: for example, to draw people who need to go shopping or do other errands after work and for whom it wouldn't be practical to go home first, or people whose neighborhood bus route was not particularly convenient for their work pattern. Debo stated that the Park and Ride at the North Transfer Point had been a huge success: it had been packed on weekdays ever since it opened, and Metro had seen ridership jump tremendously. She went on to say that Park and Rides were being well received by neighbors and alders alike because riders would no longer park in their neighborhoods. She pointed out the report with boarding information by bus stop, noting that the most used bus stop was the West Transfer Point, followed by the North Transfer Point (formerly, the least used bus stop), South Transfer Point and the East Transfer Point (with the least usage).

Debo expected the ridership at the East Transfer Point ridership to jump also with introduction of the Park & Ride lot, and to become one of the more productive transfer points in terms of ridership. In response to another question about measuring usage related to installing Park and Rides, Debo said Metro has had to put out a lot more buses at the North Transfer Point because buses there are filling up more quickly now that it has the Park and Ride. She noted that the North Transfer point has over 100+ parking spaces, compared to the 83 spaces planned for the East Transfer Point. Debo pointed out that a new layer of responsibility comes into play, when there is a charge for parking; as for example, responsibility for safety/damage to vehicles, and revenue collection. She said that the Park and Ride at Dutch Mill has had lots of trouble because it doesn't have the same level of "observation" throughout the day as do other locations.

Responding to a question, Debo said that the cost for the lease of the space was coming out of Metro's budget rather than Parking's budget, because the lot is specifically to be used for people who are using Metro transit services from the East Transfer Point. Metro can use federal dollars to capitalize 80% of the cost. Moreover, Parking would have no interest in this. Debo added that there are currently provisions for bicyclists at the transfer point.

In response to another question, Debo said that the \$120K (shown in the Fiscal Note) is 100% of the cost for 10 years of leasing the lot for nine of twelve months a year with the improvements. She thought that ongoing maintenance costs for the transfer point would be minimal, when added to the snow clearance and litter pick-up that is already being done at the transfer point. Joe Stepnik explained that Swiss Colony leases its land from Leo Ritter and Company, who is the owner of small strip of land as well. Metro is subleasing from Swiss Colony, with Leo Ritter having master control; all the land in question is controlled by lease with Leo Ritter.

Durocher observed that currently people cannot park overnight at the Park and Ride for the North Transfer Point, and wondered if this would be true for the East Transfer Point also. He wondered if overnight travelers (especially if bussing to/from the airport) might not be penalized who would want to take a bus late at night or early in the morning. In response to these comments, Debo said that it's true that none of the Park and Rides allow overnight parking (except for Dutch Mill, where people traveling to/from O'Hare can park at their own risk). She noted however that the Dane County Airport has low cost parking available.

In response to a question, Debo said that Metro would be doing some light-duty monitoring to see whether the people using the new Park and Ride actually board a bus, in order to ensure that people in car pools wouldn't use the area inappropriately.

The motion passed by the following vote:

Excused: Golden, Radomski and Hinz
Aye: Sanborn, White, McCabe, Hoag and Streit
No: Paoni
Abstain: Wong
Non Voting: Durocher

A Roll Call is reported here to show that Alder Radomski arrived at 6:10PM, after the vote was taken on Agenda Item F.1. - File ID #03979 ETP Park & Ride Resolution, and before the vote was taken on Agenda Item F.2. - File ID #04087 Beyler Agreement.

Present: Noel T. Radomski, Jed Sanborn, Carl D. Durocher, Amanda F. White, Diane L. Paoni, Tim Wong, Sharon L. McCabe, Kevin L. Hoag and Kenneth M. Streit

Excused: Kenneth Golden and Duane F. Hinz

- F.2. [04087](#) Authorizing the Mayor and the City Clerk to extend the agreement with Robert Beyler regarding the sale of Metro Transit Bus Advertising

A motion was made by McCabe, seconded by Hoag, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER

Julie Maryott-Walsh of Metro addressed both the Beyler and Hotz Agreements together because they represented the same sort of resolutions. Before Meara Media defaulted on their contract, these two men were the local Meara employees who worked with Metro. When Meara went out of business, Beyler continued to sell advertising space and Hotz continued to install and remove ads on Metro buses. Hotz has been paid per sign, depending on the type of sign; and Beyler has been paid a monthly flat fee, based on meeting sales goals. Maryott-Walsh explained that Metro would like to extend the temporary contracts for Beyler and Hotz for six months, to ensure continued ad revenues until Metro's request for proposal can be executed for a permanent ad contractor. Debo added that Beyler would like to get a recommendation for a job with the new vendor (once selected).

Debo and Maryott-Walsh fielded various questions related to the search for a permanent ad vendor. Debo said that the RFP is in the City Attorney's Office, where it is being finalized. One item still under discussion is the length of the contract, whether it should be three years or seven years. Maryott-Walsh said that Milwaukee had gone out for bid with a seven-year contract for ads in both shelters and buses, which could make the bidding more competitive. Debo added that Metro might go out for bids on wraps with a contract that would sunset at the same time as ads in shelters, with the hope that Metro could get better deals in future contracts with vendors who sell ads for both shelters and buses.

Maryott-Walsh went on to say that the two agreements under discussion before the Commission pertain to internal and external (partial wrap) ads on buses only. Debo responded to another question by saying that some transit systems use in-house employees to sell ads, while the majority go outside to contract with ad vendors. White expressed interest in developing such job positions for in-house ad people, whereby any revenues they would generate could be kept entirely by Transit. Maryott-Walsh said that this idea had been discussed with the City Attorney's Office, who said that once a job is posted for an internal position to sell ads, Metro could no longer go out for bid for an ad vendor.

[Please note: Radomski arrived at this point in the meeting, at 6:10AM, and a Roll Call has been inserted in Legistar to reflect his presence at the time of the vote on this item.]

Debo remarked that with the new RFP, Metro would be scrutinizing potential ad vendors very thoroughly with regard to references, business experience and revenue guarantees. She added that the two men now under contract could put in a bid, but they would need to meet certain criteria. Upon further questioning, Debo and Maryott-Walsh agreed that Metro ad revenues had been steadily decreasing since 2003; and said that ad sales had gone down nationally in the poor post-911 economy. They noted that Metro's old ad agency (Obie) had struggled to meet their guarantees towards the end of their contract; and when they subsequently bid on a new contract, their guarantees were the lowest of the four bids submitted. Durocher commented that now more than ever, Metro and the Commission are emphasizing selling ads, at a time when ad revenues are down. Debo expressed hope that the market might be adjusting and improving.

The motion passed by the following vote:

Excused: Golden and Hinz

Aye: Radomski, Sanborn, White, Paoni, McCabe, Hoag and Streit

Abstain: Wong

Non Voting: Durocher

- F.3. [04088](#) Authorizing the Mayor and the City Clerk to extend the agreement with Jeramie Hotz regarding the installation and removal of Metro Transit Bus Advertising.

A motion was made by McCabe, seconded by Hoag, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER See previous discussion under Agenda Item F.2. The motion passed by the following vote:

Excused: Golden and Hinz

Aye: Radomski, Sanborn, White, Paoni, McCabe, Hoag and Streit

Abstain: Wong

Non Voting: Durocher

- F.4. [04152](#) Authorizing the Mayor and the City Clerk to enter into an agreement with Badger Bus Lines for provision of ADA paratransit services in a Long-Term Assignment Program to Metro Transit through September 2009 with an option to extend for up to 6 additional months.

A motion was made by McCabe, seconded by Hoag, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER

Crystal Martin of Metro spoke to the group about this item. She said that last October, Metro ran a pilot program called the "Long-Term Assignment Program" for paratransit service to high-use customers. The customers were set up to call a vendor directly in order to arrange transportation, with the goal of developing consistency in the weekday ride orders for providers. This pilot program also allowed Metro to test the waters for more competitive paratransit pricing and service.

The ADA Transit Subcommittee determined that the pilot program was successful and encouraged Metro to go out for bid again for a longer term (through September 2009). Among four firms, Badger Bus Lines submitted the best proposal to provide this service.

The motion passed by acclamation.

- F.5. [04109](#) Metro's Annual Paratransit Progress Report 2006

Martin pointed out that ridership was up 10% in 2005, but that ridership had been flat in 2006. She also noted that last year, Metro had implemented an electronic system to track on-time performance data on a daily basis. While implementation of this electronic tracking had been a large undertaking, Martin reported that Metro was now able to monitor 99% of this on-time data instead of the 1% it was previously capable of tracking.

She commented that the new paratransit contractor, Badger Bus, was doing well. She said that overall, complaints were down in 2005. She concluded by saying that Metro Plus had been continuing to make good progress on the six recommendations of the Wis. DOT Management Audit of March 2004.

In response to questions, Martin said that though there was no hard evidence, it was possible the new, on-time monitoring program had contributed to the lower number of complaints. She went on to say that the percentage of rides contracted out were going up. Durocher observed that with more trips being contracted out and a wider spectrum of contractors, the City's negotiating stance has improved; the City has become less dependent on any single provider who could hold the City over a barrel.

Streit made a motion to accept the report. Sanborn seconded the motion. The motion passed unanimously.

F.6. [04086](#)

Creating Section 31.04(6)(e)2. as a Charter Ordinance, creating new Subdivision 3.51(4)(i) as a Charter Ordinance, and renumbering current Subdivisions 3.51(4)(i) through (k) to (j) through (l), respectively, and renumbering current Section 31.04(6)(e) as 31.04(6)(e)1, all to allow the City to place signs or ads on Transit Utility bus shelters.

A motion was made by Hoag, seconded by Radomski, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER

Durocher read a statement from Scott Thornton, a resident of 1104, Jenifer Street, Madison, who registered in opposition. In his written statement, Thornton said that he did not believe it was acceptable to have advertisements in bus shelters in residential areas; but he was not opposed to advertising in commercial areas. Durocher noted that the proposed changes to allow ads in bus shelters would not affect Thornton's particular bus stop, which has a bench rather than a shelter.

Debo talked about the proposed charter ordinance changes. She said that after many discussions with the state Department of Transportation, the City Attorney determined that the proposed changes to Madison's charter ordinance would "trump" state statute (by use of the City Charter). She pointed out the City Attorney's opinion (attached), which underpins the ordinance change. Debo said that in and of itself, the proposed changes wouldn't bring in any money, but that it would create an opportunity for Metro to go out to bid for advertising/shelter contract (similar to Milwaukee's bidding process). Debo said that typically, a company provides the shelters, advertising, and maintenance of shelters, for a period of time. Then, once the value of the shelter has depreciated, the owner of the shelter can sell it to the next contractor. Debo commented that the proposed ordinance changes would not create an RFP, but would create an opportunity for one. She added that such a charter change entails a 60-day process.

Responding to questions, Debo said that nationally the usual RFP asks the contractor to provide brand new shelters with lighting and advertising; and the contractor retains ownership until either the shelter is bought out or fully depreciated. She observed that bidders usually offer an array of shelters to choose from (often jazzier than many shelters now in use), with backlit lighting for ads. She said that with an RFP, the City could obtain quite a few more shelters : new ad-shelter locations would be selected from among locations where currently shelters are located, and then the old shelters would be re-located. She remarked that a big benefit of this process would be the ability to provide more amenities for passengers. She added that another benefit is the extra revenue. Based on Milwaukee's experience and discussions with Adams Advertising, Debo thought that Metro would go out for a minimum of \$25K per year and let bidders bid up over a period of time. (She noted that during their second bid, Milwaukee is getting many more offers for shelters than they got in the first round, and will be maxed out at 125 shelters.)

In response to a different question, Maryott-Walsh said that typically advertisers don't want to use existing shelters, but prefer to bring in their own shelters with backlit lights, etc.: they find it easier to replace shelters than to refit them. She went on to say that once Metro goes out for bid, the Common Council and TPC would tell Metro which shelters could be offered up to the advertisers. She noted that the Mall Concourse - the Capitol Square and State Street - are off limits for advertising at this time. Debo commented that though advertisers consider the Mall Concourse the most desirable location, they are interested in other locations as well. She said that most national advertisers want a "standard" type of shelter for their advertising, which they are willing to pay for.

Paoni asked about how the new ordinance would apply to many of the most popular, main arterials in the city that are "state trunk highways." She expressed concern that some of the most desirable locations would be off limits, and

advertisers would have very few good choices for locating shelters. Debo replied that the City Attorney had looked at this and identified only a few streets that actually fall under this classification of "state trunks" (such as Highway 113), where ads cannot be placed. She said that it is hard to know until the specifics go out, whether advertisers would be interested in locations that are not identified as "trunks". She didn't expect this issue to produce a hugely adverse effect.

Debo concluded by saying that the City Attorneys' Office had looked at existing statutes and made its interpretation, having examined old issues related to sandwich boards and the opinion of a previous City Attorney related to signs and rights of way. She said that the current City Attorney felt the proposed charter ordinance changes were needed to overcome the written opinion of the previous City Attorney (which had been used in court). When Milwaukee was asked about this issue, they reported that they hadn't been too concerned about it.

Durocher commented that even with some of the limitations related to jurisdictional interpretations, the proposed changes would open up options the City doesn't currently have, which would be something positive for Metro.

The motion passed by the following vote:

Excused: Golden and Hinz

Aye: Radomski, Sanborn, White, Paoni, McCabe, Hoag and Streit

Abstain: Wong

Non Voting: Durocher

F.7. [04111](#) Shelters/Boardings Information

Debo remarked that a lot of work had been put into this informational piece, because she thought it would be useful in the long term. In looking over the data, Debo said that it struck her that there were a lot of places where Metro should put more shelters. She noted how many private/public shelters there were (including UW shelters). She said that the boarding data is not correct for the bus stops on the UW campus (Route 60, 80,81, 82) because they were not included in the sample; if they had been included, their boarding numbers would be much higher than shown. The report was presented for informational purposes only, and there was no further discussion.

F.8. Metro Budget Overview

Debo said that she had hoped to have something ready for this agenda item, but was still waiting for some figures from downtown to finish the budget. But she had done a lot of work on the budget already, in preparation for "looking down the line." She said that although she couldn't say she was optimistic, she was not demoralized or terribly worried either. Even though fuel costs are bad, some factors are working on their side in the budget process: the West and South route changes; growth in ridership; rate changes for unlimited ride pass agreements; bus wraps revenues -- these things will help Metro.

By the August meeting, Debo hoped to be able to bring supplements for consideration by the Commission and the Council. She said she would be

looking at surveys from areas that are not currently served: such as the survey with the heavy response from the High Point-Raymond Road neighborhood. She said that she would be looking at costs for extending Route 58 into that service area, which is a commuter route. In terms of added personnel, she said that she would like to make a supplemental request to add another IS person to Metro staff, which has been a high priority for some time now. For the patron's sake, she would like to add a part-time bus cleaner; Metro has only 2 cleaners cleaning the inside of 220 vehicles. She said that there might be some re-classes also. She is also looking at budgeting for some increased headways within the system; but Staff is finding it difficult to choose one route over another.

Wong remarked that fuel costs were always driving the budget negatively. He wondered if any progress had been made within WURTA (Wisconsin Urban-Rural Transit Association) in terms of rising fuel costs and soliciting help from the state to deal with them. Debo responded that WURTA has said that it planned to request some additional assistance in the next legislative session ('08-'09 budget) ; but said that she had been disappointed about their lack of consensus and progress so far. Debo didn't think a TPC resolution would help get this process moving, and noted that the WURTA Board has not been as active and responsive as it should be. She observed that Milwaukee doesn't currently have the strong membership/representation in the organization that it's had in the past, due to turnover in staff there.

Paoni mentioned that the State Legislature has organized a legislative committee called the State Road to the Future Committee, which just released a report this week that included Legislative Fiscal Bureau estimates of what funding it would take to make certain transit systems whole - considering inflationary increases to such items as diesel fuel. In this regard, the report listed Milwaukee Transit System and other small urban and rural systems, but said nothing about Madison except for a reference to Transport 2020. From what Paoni could see, the next step of the Committee would be to meet to discuss how to meet the financial needs of transit systems. She said that she would email links to the Committee's website, so members and staff could look at how Madison might get involved in the work of the Committee.

Debo said she was very interested in this, especially in view of the fact that the cost of diesel fuel had been going up over \$1million a year in the past few years.

Discussion of this agenda item was informational only, and no further action was taken.

F.9. [04110](#)

Fare and Rate Change Discussion - TPC 7.25.06

Debo noted that at the previous TPC meeting, members had indicated an interest in discussing Unlimited Ride Agreement rates and possibly other fares as well. Since the last meeting of the TPC, the Common Council had expressed hope (during their recent discussion of full wrap ads) that there would be no new fare increases; at which time, Golden pointed out that fare policy is made at the TPC level. In light of this, Debo remarked that it remains up to the Commission to determine what they want to do about fares for 2007 and the years after.

Debo then summarized the informational material prepared for this agenda item. She especially noted losses related to Special Event Fares, and mentioned the latest figures showing a loss of \$8K for the 2006 Rhythms and Booms due to the

rainout. She said that members might like to consider what they'd like to do regarding the special event fare, perhaps raising it from \$3 to \$4 or \$5 over the next couple of years. She felt that this would not defeat the intent of the Common Council (which was probably to avoid increases to regular fares.)

Debo then commented on the Commission's 2005 change to unlimited ride pass fares, the impact of which is being felt in 2006. She noted that a whole new cycle for unlimited ride pass agreements will begin again in January, 2007, but suggested that the Commission not single out these agreements for increase but rather to take a broader look. She suggested that the Commission forego any rate changes in 2007, and to instead consider general fare changes for 2008, 2009 and 2010.

Debo remarked that she would need to tell the City soon the cost of their unlimited ride pass agreement for 2007 (as part of the budget process), and said that it should be no surprise that the cost would be going up -- probably at a minimum, it would be going up \$20K, due to increased ridership alone. Debo felt that there needed to be consistency in Unlimited Ride Pass rates between the City of Madison agreement and all the other agreements. She noted that Metro would be negotiating with the UW again in the spring, most likely for a 3-year agreement. If this is the case, Debo said that rates for the next few years should be set out, before beginning these negotiations with the UW. She felt that the Commission would have a better position if they worked out their ideas about regular fares in general to tie them to new rates for the unlimited ride pass agreements.

Wong proposed that the Commission endorse the Council's position not to raise fares again for 2007. He did not think that regular fares should be linked to fares for pass agreements. He said that most people think that unlimited passes are a really good deal, even for the employer. Debo noted that the UW now pays \$1 million for its employee pass program -- a pricey deal for them; and for the students, the cost is more. It's very expensive for the UW. Hoag remarked that there are internal pressures not to build more parking ramps, but instead to use parking money to pay for transit. Debo urged members to consider the balance between costs to employers and the potential for new agreements (as for example, with the State). She noted that 90+% of Metro's revenue growth has come from these unlimited ride pass contracts, and that there is no other marketing program that can bring the success that these unlimited ride pass programs have -- the strongest program in the country for generating ridership and revenue. She cautioned the Commission that if it increased rates for unlimited ride pass agreements alone and not for other fares, employers might feel singled out.

Looking at the Audit Report, Debo pointed out that costs go up at least \$ 1 million each year due to a normal inflation rate of 3%. She wondered how the Commission could address this constant increase without increasing fares, especially with the super-inflated rate of 4+% annual inflation of recent years due to rising fuel costs. Debo said that ad revenue is a small source of revenue for Metro.

Durocher said that it would be acceptable procedurally for Debo to e-mail members with progress reports about Metro's budget. General discussion followed. Reflecting on comments made at the recent Common Council meeting, Radomski clarified that the Council didn't really think ad revenues would make

Metro whole; and Sanborn added that the Council just hoped the Commission wouldn't need to raise fares. In response to a question about the level of utilization of buses for special events, Debo said that football shuttles are usually packed, but added that even they are not quite recovering costs. She said that these buses are expensive to provide due to the number of buses used. Members suggested other ideas for boosting revenues, such as to provide the option of a slightly discounted annual pass (along with a semester pass) to promote a predetermined level of revenue; or to offer riders the choice of using cash cards for fares. Debo said that some of these ideas could probably be implemented in the future.

Sanborn suggested that the Commission consider raising the special event fare to start covering the cost of providing the service. He agreed that raising fares in 2007 is not feasible, but suggested looking at the unlimited ride pass rates by next January to see how they might be set up with increases over the next 3 years. Then if rates need to be raised by 2008, he said these new unlimited ride contract rates would be in place to help set up discussion about that.

Sanborn concluded his comments by asking that, at its next meeting, the Commission look at possibly raising the special event fare (to \$4), and asked Debo to provide some information for a few different rates and ridership scenarios. It was noted that while the special event fare revenue was small, it did represent a fairly popular service to the community.

[Please note: Hoag left meeting at 7:25PM, and Radomski left meeting at 7:33PM. A Roll Call is shown here to report who was present when the vote on the following motion was taken.]

Present: Jed Sanborn, Carl D. Durocher, Amanda F. White, Diane L. Paoni, Tim Wong, Sharon L. McCabe and Kenneth M. Streit

Excused: Kenneth Golden, Noel T. Radomski, Kevin L. Hoag and Duane F. Hinz

During further discussion about labor costs for special event buses, Debo said that it probably wouldn't be feasible to change labor contracts with regard to the way drivers with seniority pick special events overtime shifts, and added that it probably wouldn't drastically change overtime costs. Debo added that the special event buses have been provided for many years and have had a very positive impact in the community; and if fares were increased, cost would be covered. In later discussion, Debo said that shuttles were provided for football games, for Rhythm and Booms, and occasionally for events like Iron Man. She said that fares are the same for all special event shuttles, and if distinctions were to be made among fares for different events, they would have to be called out in the "fare tariff." McCabe observed that by raising the fare by \$1.00, income would increase by \$45,000, which would more than cover the current shortfalls related to special event buses.

Sanborn inquired about setting up a public hearing to discuss raising fares for special events. After some discussion about dates, Sanborn made a motion to hold a public hearing as part of the August 8th meeting of the Commission, to consider raising special event fares from \$3.00 to \$4.00 to take effect by a date in August 2006. Wong seconded the motion. The motion passed unanimously.

McCabe continued discussion about fares related to upcoming unlimited ride pass agreements. She stated that the group seemed to have reached some consensus: if rates were increased in the City's unlimited pass agreement in

2007, they would need to plan for changes in other fares in 2008. She liked the idea of going lock step with the other fares. She wondered how the unlimited pass rate could better mirror the average adult fare. Related to this issue, it was agreed that some questions would have to be addressed: What is the average adult fare? How can you project the fares out over a period of time (say five years)? What are the ridership counts and how can you project these?

Wong wondered what methodology was used to figure out how an 88¢ fare could be considered equivalent to a \$1.35 or \$1.50 fare. Debo said there was no methodology or equivalency involved in establishing the rate for the first modern unlimited ride pass agreement, which was 82.5¢. This rate was negotiated with UW for their employee program, and from this all other rates evolved. It was based on the revenue we wanted to generate, and seemed to be reasonable with regard to the whole fare system.

As fare discussions continue, Paoni said that she would like to see more about what the costs are, and how fares are connected to costs and revenues. White remarked that if she were the UW paying for unlimited ride passes, she would have a problem paying the same rate as St. Mary's or the City (who have much fewer riders). Debo responded by saying that it would not work to differentiate between rates for one agreement or another, because each negotiating body wants the same rate as everybody else or they won't sign an agreement. She also reminded everyone that this issue (of a single fare tariff for all agreements) had been discussed at length before the Commission in the past.

White went on to say that she was proposing a structured tier system, whereby groups with more rides per year would pay less for each ride. She cited the benefits of an agreement with a large organization like the UW: it contributed a huge portion to Metro's revenue, and large numbers of riders were now using buses instead of cars. Streit agreed and said that people needed to recognize this reality of doing business; preferences are given to major wholesale buyers and higher volumes means lower prices. He acknowledged however that the market is not yet strong enough to make distinctions based on volume. Right now, if a smaller organization wants to buy an agreement, the Commission can't say that it would be at a different rate.

[Please note: Sanborn left meeting at 8:03PM.]

McCabe commented that it would be helpful to see what impact different percentage rate increases would have on different organizations who now purchase agreements. Debo said that she would bring to the September meeting a couple of scenarios (looking at 2008). Before moving on to the next item, Durocher commented that he was concerned about the increasing disparity between the working class and the managerial class, and would be reluctant to look (first) at cutting workers pay in order to fix discrepancies in covering costs.

F.10. 2005 Metro Audit

Debo pointed out the handout related to information on page 15 of the Audit Report, which shows additional projections beyond 2005 to 2009 of principal and interest relative to borrowing and the current capital plan. She felt the new information revealed that borrowing would level off, and would not be problematic in terms of placing a burden on the transit system in the future.

Debo went on to discuss the Metro Transit Management Discussion and Analysis Report, which had only been a part of the audit for the past three years and which has brought more information to the Commission than audits usually provide. She noted that info in this section provided a year-end summary similar to the monthly reports. Debo cited one concern about the high cost of fuel prices that had forced Metro to substantially draw down reserves to a current balance of \$ 269K. Debo said that she had been able to build up the Contingent Reserve ("rainy day" fund) during her tenure but had also had to use them for fuel overages in the past few years, and hoped that Metro would be able to build up its reserves again.

Streit moved to accept the 2005 Audit Report. McCabe seconded the motion. The motion passed unanimously.

Streit made a motion to accept all remaining reports G.1. through G.6. (i.e., the CSOS minutes). Wong seconded the motion. The motion passed unanimously.

G. REPORTS OF OTHER COMMISSIONS/COMMITTEES/AD HOC GROUPS (for information only)

- G.1. ADA Transit Subcommittee (May meeting minutes not finalized)
- G.2. Contracted Services Oversight Subcommittee (June meeting minutes attached)
- G.3. Parking Council for People with Disabilities (June meeting cancelled due to lack of quorum)
- G.4. Long-Range Transportation Planning Commission (No June meeting)
- G.5. State Street Design Project Oversight Committee
- G.6. Joint Southeast Campus Area Committee

H. GENERAL DISCUSSION ITEMS

- H.1. General announcements by Chair
- H.2. Commission member items for future agendas

In response to White's question about getting an update from Network 222/Fiore Companies on their TDM plan, Durocher said that this would be part of an annual report and that Knobeloch should be contacted about when to expect this.

ADJOURNMENT

The meeting adjourned at 8:14PM.