



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Draft CONTRACTED SERVICE OVERSIGHT SUBCOMMITTEE

Monday, October 3, 2016

3:00 PM

Metro Transit
1245 E Washington Ave, Suite 201

1. CALL TO ORDER / ROLL CALL

Also Present: Carol Smithson, Mick Howen, Steve Arnold

Staff: Chuck Kamp, Ann Schroeder, Drew Beck, Jackie Dahlke, Mark Optiz

Guests: Jodi Dobson

1. Call to order – The meeting was called to order at 3:00 PM. Introductions were made.

Present: 5 - Kenneth Golden; Renee Schwass; Mark M. Opitz; Darwin Ward and Margaret Bergamini

Excused: 4 - Gary L. Poulson; Ahnaray Bizjak; Adam Sayre and Shawn Stauske

2. APPROVAL OF MINUTES

Ward moved approved of the minutes as written. Opitz seconded. Golden abstained. The motion passed.

3. PUBLIC COMMENT

There was no public comment.

4. DISCLOSURES AND RECUSALS

There were no disclosures or recusals.

5. [44589](#)

Audit - Wayne Block

Attachments: [Audit cover letter 2015.pdf](#)
[Audit 2015.pdf](#)

Block could not be present. Auditor Jodi Dobson from Baker Tilley Virchow Krause was present. She had made the same presentation to the Transit & Parking Commission (TPC). The overview shows an unmodified opinion of financial statements; Metro got the highest review. In addition to the financial audit, compliance with grant requirements is tested. There was one finding about the biennial physical inventory required by the FTA. It was due by the end of 2015, and Metro did it in the spring of 2016. Management was aware of

the situation, but due to some issues they were unable to get that completed in the timeline. That will probably be a repeat item. Also, the NTD report requires certification, and no issues were noted.

Ridership does drive finances, and there was a little decrease in 2015 which was seen in other transit agencies with gas prices dropping. Still overall it's in a very consistent range of ridership. Revenue overall is a very stable mix. Metro has a greater variety of revenues than some other transit systems. Revenues for 2015 exceeded the expenses allowing the reserve to increase.

State and federal aid is a significant portion of 2015 revenues, fares are 23%, then local funding from city, county and municipal partners. The percentages from 2014 to 2015 is very stable from year to year. Golden asked about percentage of fare to other revenue sources compared to other transit systems. Dobson said average is about 20% some more, some less. Golden thought 35% was some sort of goal. Kamp said WisDOT looks at farebox revenue recovery ratio. Metro's is within our peer average. That is just slightly high, but part of that is that Metro is a municipal system.

Expenses are a fairly consistent, stable mix over the past 5 years. The biggest item is wages and benefit, which are similar to other systems. The audit doesn't look at capital because of a large amount of grant funding on the front end. Materials, supplies, and fuel decreased from 2014 to 2015 but other maintenance increased, so it stayed closer to flat. Purchase of services decreased in natural gas and insurance. Expenses are consistent to the prior year. Interagency charges appeared to go down from 2014 to 2015, but that is due to MUNIS allowing internal labor costs to be tracked automatically, so that number is now included in labor.

Recommendations contain a couple things from prior years. Journal entries should be reviewed prior to posting. That came up in 2014. We did not see that continue in 2015. With the new software, there is review prior to posting. Two other items are in process. There should be better systems for timely invoices – monthly or quarterly billings – and then also documenting once a year/year-end process to help with staff turn-over. That's in progress. The audit process always goes very well at Metro. There is a lot of support from management and records are always available.

Golden asked how much Metro is worth with all of its assets, for example if the city were to sell Metro to Sun Prairie. Dobson said in actual financial statements it's the historical not actual cost net position, which is \$42 million and change. Kamp said one thing Metro is working on is billing bus pass partners by the 15th of the month. That's a focal point, and a number of the small commute card customers are interested in that as well. One thing that came up on the triennial review was that the physical asset inventory was late. When Metro has questions, we check in with the auditor.

Golden asked the value for the land Metro's garage and parking lot is on and how Nakoosa fits into that. There is a value of land on the books – just over \$2.6 million. That's just the garage and is based on historical cost, not what it could be sold for. Kamp said just to be transparent, from a staff perspective, Metro will be at the 1101 garage for 20 years. It's a long term investment.

*Update on BRT and Satellite Garage - Chuck Kamp

Attachments: [2017 Executive Capital Budget.pdf](#)

Provided was a summary of all projects through 2020, including normal bus replacement and also the first phase of bus rapid transit (BRT) that the Mayor added to budget for 2019. The city is looking at a Small Starts grant, phased in for 2019, and hoping that the garage would begin in 2018 and be done in 2020 so BRT would be running in 2021. The garage needs to come first; BRT requires additional capacity. Metro will continue to apply for TIGER grants. This year Metro asked for 50% federal/ 50% local. The city shifted the 50% local to be 20% for garage and 20% for BRT. Conversation shows it shouldn't hurt the chances on another grant.

Metro will also be upgrading the 1101 building, including the roof, HVAC, and bus wash. Since this budget came out, Metro got approval from the Mayor's office to do a building assessment of 1101 by city engineering. The 2017 numbers might be reduced in the final analysis.

Bergamini asked if Metro will be using the entire \$2 million from Transport 2020 to do planning in 2017 and 2018. Kamp was not sure. The original Transport 2020 funding from 2006 was over 10 years old and about to be taken away. Metro asked, since BRT is high speed and very much like light rail, to hold onto funding. So far Metro has met all requirements to keep the funding. It will be used for an alternatives analysis. Feedback will be sought if the city is able to move forward.

Golden wanted to highlight three things.

1) The city planning department got a grant about land use associated with BRT. Kamp said that project, which is underway but not yet done, could influence which corridor is chosen first. There could be TIF funding available for BRT given land use and looking at redevelopment potential along the corridor.

2) Is there or should there be Council and TPC approval of the garage plan versus developing where it is. Golden said he is not coming down on either side but is in favor of an analysis of whether it is more economical to redevelop the current garage site or move Metro.

Kamp said there has been a facilities steering committee which involves all city departments discussing each of its issues. A report has gone to City Council that identifies that Metro will use 1101 indefinitely. Based on that, Metro needs to invest in 1101. Golden is asking to memorialize that by having a study and a resolution. Kamp will check with Dave Schmeidicke if that's been done or needs to be done.

3) When a Transport 2020 committee needs to be established, and the county is not paying attention but needs to have members, when is this likely to happen? Is the county going to be persuaded to be involved or a problem if they ignore it? Kamp said his best guess is that if this plan is approved in November, there would be a steering committee in a few months. Metro is managing this \$2 million. The ability to retain that is having satisfactory

process.

People can see the 2017 budget process online, including Metro's request and supporting documents such as a transmittal letter detailing why things are included in the budget. It also details a 2.5% reduction plan which would be a Sunday and holiday service reduction to 8 an hour span. Metro includes a proposal to increase weekend service to turn Route 7 back to Route 3, and provide half hour service on Route 6 on East Washington. There is also a request to add one operations supervisor to address more evening service and provide more road coverage at night. Also included is a plan to lease more administrative space by leasing the entire 2nd floor. Metro needs more conference space and office space, and is looking at a 10 year lease with Mullins. This is partly in anticipation that with construction of Nakoosa and implementation of BRT, there will be additional meetings with consultants, regional partners, etc. Later this week, the Mayor will be releasing his budget.

7. Update on County Transit Funding - Chuck Kamp

A year or more ago the county identified an amount in excess of \$1 million in the budget. Partners started looking at awarding criteria. Now there has been a communication that the county isn't interested in capital transit funding. Golden said Robin Schmidt and a committee have done great work to try to get funding to transit. The committee no longer exists, and a letter of concern came from county corporation council. County lawyers said verbal legal opinion is that the county can't spend money on transit. Golden wanted to get a more reliable, written legal opinion on this. Kamp agreed Metro doesn't want to let this funding go without asking questions.

8. [44592](#) Ridership Reports - Drew Beck

Attachments: [Fixed Summary Jul2016.pdf](#)
[Monthly Ridership Jul2016.pdf](#)
[Route Performance Jul2016.pdf](#)
[Route Productivity Jul2016.pdf](#)
[Para Indicators Jul2016.pdf](#)
[Para Summary Jul2016.pdf](#)

Ridership is still down, but there are bright spots. Routes 10, 31, 49 (FB commuter service), 56, 57 and 75 are all doing well. That is kind of expected because they are commuter style routes. Routes 56 and 57 are limited stop, so they are quick direct routes. Also Route 26, the American Center Loop, is up over 100%. It is heartening that productivity hasn't changed, meaning there is consistent ridership whenever it is out there.

9. [08290](#) Reports of Member Communities/Institutions

Middleton (Opitz) – They recently installed a bus shelter on Pinehurst by Top Promotions as requested by the business owners. They have several employees with limited sight, and the stop has been well received. Top Promotions is paying for it as a memorial gift for one of their employees. Construction work is all done.

Madison College had nothing to report.

ASM (Bergamini) – They handed out 27,000 bus passes the first three weeks. UW student ridership was down significantly last year. This year in April and early summer, it was only 7% down. They hope for continued progress.

MMSD had nothing to report.

Fitchburg (Arnold) – Their Council rejected 5 to 3 the resolution that by ordinance they would be required to add transit service. He proposed \$150,000 for a route that Metro had designed between HyVee and Hatchery Hill to serve the transit rich corridors to the Civic Center and make most of central Fitchburg eligible for paratransit, allow transit dependents people to get to court, the library and other places. He’s disappointed; the next opportunity will be next year.

UW (Ward) – The bus stop on Highland in front of lot 75 will open mid to late November. It has been closed for a year or so.

UW Hospital (Smithson) – Staff attended a Sun Prairie transit meeting in August. The city of Sun Prairie asked for partners to come together to get some ideas for transportation, but she hasn’t heard more about it. Kamp said there is an effort by the Mayor and an alder to form a steering committee and prioritize. Mayor Esser has been championing that.

Kamp said Metro has been discussing with DeForest service that will not affect current peaks.

Town of Madison (Schwass) – There will be some road construction for about 2 weeks; Metro has been notified.

10. Garage Tour

Some members attended a tour of the bus garage.

11. ADJOURNMENT

The meeting was adjourned.