



# City of Madison

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

## Meeting Minutes - Approved CONTRACTED SERVICE OVERSIGHT SUBCOMMITTEE

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Thursday, May 14, 2009

12:00 PM

215 Martin Luther King, Jr. Blvd.  
Room LL-110 (Madison Municipal Building)

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### 1. CALL TO ORDER / ROLL CALL

**Staff:** Wayne Block, Ann Schroeder

**Present:** 6 -

Rick Rose; Ahnaray Bizjak; Bruce K. Sylvester; Margaret Bergamini; Carl D. DuRocher and Mark M. Opitz

**Absent:** 2 -

Jed Sanborn and Rob Kennedy

**Excused:** 4 -

Rindert Kiemel, Jr.; Andrew Potts; Shawn M. Murphy and Renee R. Bremer

### 2. APPROVAL OF MINUTES

Bizjak moved to approve the March 12, 2009 minutes as written. Sylvester seconded. The motion passed by voice vote/other.

### 3. PUBLIC COMMENT

There was no public comment.

### 4. Introductions

Member introductions were made.

### 5. [14619](#)

Partner Contract Update

A recently completed draft of the partner agreement was passed out at the meeting. Metro wants to get CSOS member feedback before going to the Transit and Parking Commission and through the rest of the approval process. Block highlighted new things in this agreement. There were some changes in the wording in the Term section just for consistency, such as using the term "estimated net deficit" rather than multiple terms for the same thing. Some definitions were added to make sure everyone understands things, such as the

contingency reserve, which was started in 2009 to make sure there are no huge surprises for the 5th quarter bill for partners.

DuRocher said the way this contract is written, the fund would be segregated per partner rather than just combined as one big contingency fund. Block believed the contingency was for covering any shortfall for partners. DuRocher thought it was something that was to be used to keep Metro solvent if there was a huge increase in something like workers comp. It would make sense to keep contributions separate per partner so they could get it back if they are no longer a partner. Members didn't think it should be used to cover for a partner who doesn't pay. Block said that is not the intention, but to offset a 5th quarter payment if the costs go dramatically up because of something like fuel costs. Bizjak said that if a partner is due a refund, they might want to put that into their section of the contingency reserve to cover any overage in the future since that money had already been budgeted for.

Bergamini said we would need to look back at meeting minutes of July and August of 2007 when this was originally discussed at combined Ad Hoc/CSOS meetings. Her understanding was not that funds would be kept segregated per partner but just used as a universal fund to cover overages for all partners in the 5th quarter. However, hearing some of the discussion about keeping the funds segregated that might be a better way to do it. The group should discuss this further at the next meeting. Rose said another use mentioned for the fund was to pay for increases for one partner due to another partner increasing services that make routes go through the first partner's area. Sylvester said it would be a good idea to present a policy document about this complex issues for the group. The contract draft itself on page 14 does show the intention of the contingency fund is to offset an overage in a partner's final calculated annual net deficit.

A definition for "Contracted Paratransit Services" was added. DuRocher said he believed this was in case a partner, such as possibly Monona, would want to contract for fixed route service but provide paratransit service on their own. Bergamini added that this would also cover things like Group Access services.

In III. B., it says if a partner wants to make a change in its service, the partner needs to notify Metro by June 1st of the year preceding the year the change would take effect. This is because if service is increased to any one partner, that dilutes the state/federal funding to all partners. Metro needs this information to factor into our budget. Bergamini said presumably this would include the City of Madison so that Transit and Parking Commission couldn't make changes off this timeline. Another question is what level of change would trigger this – even extra buses? Block said it would be more permanent service changes than just things like extra buses for the Middleton Good Neighbor Festival.

Opitz said the word "level" is used. To him this means that things like times and locations could be changed, but if the number of service hours in the community are changed, that would require this notice. Making decisions about service that will change a year and a half later could be a hardship. Block said we're not actually saying you can't make changes after June 1st. But if you do that, the change in the service that you request would not get any allocation of state and federal funding. That might not be spelled out clearly in the contract. The partner would only get the state allocation based on the

service hour level prior to the service increase. Opitz asked if a partner made a service decrease, they would then get to keep the original larger state allocation. Block said he didn't know. This issue will require more discussion. Section III. E. does spell out what will happen if services are changed after June 1st.

There was some confusion between the terms "local deficit" and "net deficit." They are the same thing. That will be changed to net deficit for all mentions.

Section V was added to clarify which services each partner is receiving. Bergamini asked about the requirement to provide paratransit service in conjunction to a commuter route. Metro is not required to provide paratransit service in conjunction with commuter routes.

Bizjak said in September Fitchburg will add service. How would billing work for that? Block said he envisioned just taking all the service hours and splitting it by four quarters. That is something the group should discuss. Bizjak said she would rather be billed later when the service is actually in effect rather than be billed earlier in equal portions because the money is budgeted for the later time.

Section F might be the best place to clarify how billing will happen for service changes. Both for changes that it is known will happen and for unforeseen changes. Sylvester asked the timeline to receive updated contracts. It is still a work in progress and has to go through an approval process. Bizjak said she would want to run this by her city attorney and city administrator as well. People might want to see the maximum length of contract that their municipality will allow. Sylvester asked if this would be a new contract each year. Block said it would be a carry forward contract and a new memorandum of understanding (MOU) would only be done if there were service changes.

Attachment A – Metro will figure total costs and divide by total service hours provided. Deadhead hours are not included in revenue service hours. Metro is currently basing the cost per hour on total system operating expenses per year and dividing by the total hours. Currently, it does not include deadhead hours, except for Madison Metropolitan School District (MMSD) and UW. The way we will begin to do it is to increase the cost per hour to include all the deadhead time as part of our total operating expense.

Rose said he did not think it was fair for a partner like the Town of Madison to pick up the cost for partners who have more deadhead time because they are outlying. Block said the argument that was made for that was that it benefits everyone to be able to use the total system. Someone from the Town of Madison can hop on the bus and get to their job in Middleton or Verona. It wouldn't be equitable to look at a route and charge each partner for that deadhead time. The bus barn is perhaps further from one partner than another. Suppose the barn moves; that could have a big impact on a partner's cost. Sylvester said deadhead hours are like another overhead cost for the system. Block said for the next meeting (or sent out by email before that) Metro will run partner costs using the new method to see what the change will be. Sylvester said as an example, suppose Blue Mounds joins the system. Is it fair for all the partners to pay for that deadhead time? Block explained that we don't deadhead all the way to the community. For example, Verona commuter routes don't deadhead to Verona, but just to the transfer point. So Town of

Madison citizens could get to the transfer point and go to Verona. If there were a community that just wanted one-way service or intercity service that would be significantly different service that would need to be examined.

Block explained a handout showing how partner share of net deficit is calculated. Bizjak asked if the breakdown of hours for the purposes of revenue allocation are service hours only. It currently includes only service hours but in future will include deadhead hours, so partners will get a larger share of passenger revenue but will be paying for deadhead hours, which will probably be more. Whatever percentage of service hours a community has is the percentage of paratransit revenue the partner will get – this includes passenger fares and MA Waiver funds. Other revenue is miscellaneous revenue like advertising, sale of buses, etc. Gross deficit is the fully burdened operating costs minus the revenue streams. Capital aid is the 80% of the depreciation that was applied to each partner. Partners get benefits because it was shown as an operating expense but funded by the Federal Transit Administration. Metro can use grant money for associated maintenance (operating) of capital assets. That is listed in the partner portions of Federal Aid. The capital aid allocation is based on service hours. Federal aid is the partner percentage of the gross deficit. State aid is an amount from the state for operating expenses, calculated by service hours.

Bizjak asked what the MOU would look like. Metro will share a draft of that in the future. In the past it was a one page, simple document defining service. Bizjak said the contract shows an “Attachment B” that will have a map and schedule attached. Those easily become outdated. If this contract is an attempt to update, it would be good to leave out that information. Block said he would have to find out if that was going to be updated in the MOU.

6. [14620](#) Approval Process for Fare Changes

Some of the current contracts state that the partner has to approve fare changes. Updated contracts will state that the partner will be informed of fare changes and can give feedback, but Metro will not need their approval.

7. [14621](#) Route Productivity

Attachments: [Route Productivity March09.pdf](#)

Ridership has been increasing; it is up a total of 8% (or 6% without campus). The biggest increase in productivity was Verona. Bergamini said the fare increase is not reflected in this chart because it didn't go into effect in April. It will be interesting to see what happens in April.

Block also handed out financial reports showing all of 2008 and the first quarter of 2009. Metro was over budget \$1 million for fuel and oil but made some of that up, so only had to use \$250,000 of reserves. If people have questions, we can spend more time on this at the next meeting.

8. [08290](#) Reports of Member Communities/Institutions

DuRocher said he serves on this body as a representative of the TPC. His appointment has not been renewed on the TPC, so he won't continue to serve on the CSOS. He thinks this is an important body as the only way contracting communities have input to Metro. Members thanked DuRocher for all of his work with this Subcommittee.

Bergamini said that next week is National Transit Week and people are using it as an opportunity to lobby the legislature about regional transit authority (RTA) and transit. On Wednesday, the Wisconsin Urban and Rural Transit Association (WURTA) and others have rented out the Capitol Rotunda. There is a press conference at 11:00 AM and a public hearing at 1:30 PM on transit funding. The group is asking people to lobby their legislators to support RTA and transit funding issues.

**9. ADJOURNMENT**

Opitz moved to adjourn; Bizjak seconded. The meeting adjourned at 1:40 PM.