



# City of Madison

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

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Thursday, May 8, 2008

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

**Guests:** Renee Bremer, Dean Brassler, Bill Schaefer

**Staff:** Chuck Kamp, Ruth Wohlers, Ann Schroeder

Chuck Kamp called the meeting to order at 12:00 Noon. Introductions were made. The formal appointments of representatives from Madison Area Technical College (MATC) and Madison Metropolitan School District (MMSD) are still in process. Renee Bremer from MMSD will be a voting member before the next regularly scheduled meeting. The MATC representative remains to be announced.

**Present:** 6 -

Carl D. Durocher; Andrew Potts; Bruce K. Sylvester; Mark M. Opitz; Rob Kennedy and Margaret Bergamini

**Absent:** 2 -

Jed Sanborn and Rick Rose

**Excused:** 4 -

Rindert Kiemel, Jr.; Ahnaray Bizjak; Shawn M. Murphy and Howard E. Teal

### 2. APPROVAL OF MINUTES

Sylvester moved to accept the minutes as written; seconded by Opitz. Sylvester asked about people being listed as absent in the attendance when they are alternates. Staff will check to confirm the correct way to do this. The motion carried by voice vote/other.

### 3. PUBLIC COMMENT

There was no public comment.

### 4. [10210](#)

Partner Billings - 2007

**Attachments:** [ye actual.pdf](#)  
[ye budget.pdf](#)

Metro has completed its audit with Virchow Krause. Handouts showed the budgeted partner amounts used for 2007 and then what the actual would have been using the new method of billing partners the actual cost rather than just the budgeted cost. Metro ended up with a contingency of a little over \$600,000. Last year it was \$100,000, so it has increased. That has been audited. The surplus will help with the challenge Metro is facing this year with fuel prices. Metro doesn't currently have a satisfactory fixed price fuel contract. They anticipate using almost the entire contingency by the end of the year.

Checks and invoices for end of year over/under budget amounts were being sent. Metro talked about the fact that that they had been doing the 5th quarter billing because they've used the budgeted rate per hour rather than actual rate per hour. The impact was on Metro's contingency reserve. In 2006, Metro didn't have enough in contingency, so they also needed additional City funding. In 2008, for 5th quarter, Metro will be using the actual cost per hour. Verona shows no difference because they've been billed on actual cost due to use of Job Access Reverse Commute (JARC) grant. Shorewood Hills has also been billed actual based on trips because they only have paratransit service.

All partners were charged the budgeted amount for 2007. Kennedy thought that it would be interesting to know the budget and actual rate per hour. Kamp said it would be included on the billing statement. Kennedy would like the University billing statement to go to him so he can explain it to others. Bergamini would like to know the gross amount that would be the same for everyone, even though the net cost per hour can vary depending on passenger revenue and other factors per partner. The gross amount (fully burdened cost per hour) includes depreciation, paratransit service, etc. Then deducted from that are things like MA waiver funds, passenger revenue, and federal assistance. If partners have questions about the statements, they can call Ruth Wohlers.

5. [10215](#) Discussion of Contingency Reserve for 2009

Attachments: [Contingent reserve Chart.pdf](#)

Metro's focus has been to update ride pass agreements and then update service agreements. Staff is taking what this Subcommittee been talking about and asking very detailed questions for contract updates. The Subcommittee did not reach final decisions until the 2008 budget was done, so changes in billing practices don't start until 2009.

Metro set a target of \$2 million for contingency reserve over four years. One way to do that would be based on a charge of \$1.25 per service hour. That would bring in approximately \$500,000 a year for \$2 million over four years. Staff also looked at net local share, about \$13 million. Getting to a \$2 million reserve would be about 15% or 4% a year over four years. Using a percentage in the contract, there would be a consistency even if the budget amount varies.

Staff presented an example using a sample municipality. The first scenario showed Municipality X with \$100,000 budgeted going over budget by \$2,000 and then have \$4,000 in contingency costs. What the Subcommittee agreed to earlier was that once the contingency goal was met, contingency money

would be used for overages. Until then, Metro would collect any overage. An alternative is to immediately use money from contingency funds for overages. For the above example, that would mean \$2,000 of the \$4000 contingency funds would be used for overage and only \$2,000 would be put in the contingency reserve. The municipality would not have to pay the overage of \$2,000.

In all cases, the 4% would apply to the net local share. Staff asked the members to think about the alternatives. Unless there is an objection, Metro would set up the contingency fund using the scenario where the entire contingency amount would be used for the contingency fund until the \$2 million goal is reached, rather than using any of the money right away to pay for overages.

Bergamini said her concern is that costs are accentuated and will probably remain accentuated for the next 4 or 5 years. Realistically, she is not sure that a contingency fund can be built over the next 4 years based on the rising fuel costs. She asked if this is a reasonable methodology for the health of a governmental agency or if the discussion should be opened up to other methodologies. Brasser said for other City units, contingencies have been built generally like the alternative model, and it's been successful. If it's a good year and there's extra money, the unit saves it. If it's a bad year, contingency money is used right away while continuing to build the contingency as much as possible until reaching the goal. Other entities use between 10% and 20% for a contingency goal. The question is how quickly an agency wants to force itself to get to that limit. The idea of contingencies is to avoid having to go back to the City Council or other source to ask for more money. Several years ago the City made a change allowing units like Metro to keep extra money in reserve if they have a good year. Then it is there to use in a bad year, and Metro doesn't have to go back to the Council to get more money. The same could be said of partners. Kamp said if the partners want to use the alternative scenario, Metro would work through whatever approval process is necessary. Kamp wanted to get an idea which direction the group would like to go, so people should communicate with him in the next few weeks.

One option if a municipality doesn't have money at all in the budget for contingency is to allow them not to contribute, and they would always pay actual. Bergamini said that the percent is better because the contingency amount would go up if the budget goes up. Kennedy asked if the City pays the 4% for the contingency. Kamp said because Metro is the City, there is no contract between the two. The City is ultimately responsible for any overage.

The contingency reserve will not be one pot of money. Each partner will have their own contingency reserve that will add up to the whole. When the City is contributing to the contingency as they did this year, that will be a separate budget line from Verona or Middleton for example. Only the entity will be able to use their own reserve to cover an overage in a future year. For example, Middleton will not be able to use money contributed to the reserve by the University. Kamp added that an entity could contribute more to their reserve, but by contract it would be 4%.

Brasser said as for the City contributing to the Metro contingency, they would keep the policy of allowing Metro to keep any surplus for their contingency, so

the City's slice of Metro would be billing the same contingency as other partners. Kamp said he would be willing to field questions from finance directors or anyone from each partner if they have more questions.

6. [10211](#) Ad Hoc Committee Update

**Attachments:** [LRMTAHPC Final Report 03272008 revised.pdf](#)  
[AdHocResults-OnlineSurveyResults.pdf](#)  
[Draft Final Report Paper Survey Answers.pdf](#)  
[Draft final report feedback.pdf](#)  
[07Strategic Plan - MABA.pdf](#)

The Long Range Metro Transit Planning Ad Hoc Committee had three public input meetings to get feedback on their draft final report. The Committee will be taking the input and reviewing it at their May 19th meeting. After approval of the report, it will go to the Transit and Parking Commission (TPC) and then Metro will be using that as a long range plan. Opitz said people are welcome to attend the May 19th meeting if they were not able to go to the other public input meetings.

7. [10209](#) Status of Contracts

Now that the audit is done, Wohlers is working on the contracts with the City Attorney's office. There are a couple of issues in addition to the contingency reserve that have come up.

8. [10212](#) Ridership Productivity - February 2008

**Attachments:** [Route Productivity Feb08.pdf](#)

The data includes two dates when Metro was shut down for the day or part of the day. Ridership and productivity are up. Hybrids can show more productivity because they allow for more standees. Routes with an X are less than 60% of average. As the average goes up, it could affect routes formerly doing okay.

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

a. DuRocher – The Transit and Parking Commission (TPC) is going through the process of route changes to be implemented in August. The last meeting included a public hearing. There was a lot of good input. Next Tuesday will be the final presentation. The current round of proposals will overall add to the total hours of service. There will be an impact of reduction of service to some areas. However, some of the proposals that got a lot of comment have been modified. There was also a lot of comment from Metro drivers. Some of the proposals in service changes are in response to drivers who had such tight schedules that they got no breaks or had the stress of trying to meet unrealistic schedules in order for passengers to make connections. Driver concern was

primarily focused on trying to make their jobs easier in order to provide better customer service.

Metro is at the mid point of the bus wrap pilot. The TPC needs to make a decision at this point because the wrap contracts typically run a year. That will be addressed at the Tuesday TPC meeting.

b. Sylvester – When the construction of East Verona Avenue is done, Verona will re-examine bus stop locations. Farm and Fleet opening will be opening. The city got a call wondering about a bus stop on the West side of Verona. There is indication of interest about bus service expansion in Verona.

c. Opitz – Middleton will see some changes in ridership this summer. Costco and UW Medical Foundation are opening near the mini-transfer point. That is almost 1,000 jobs. That should increase the productivity of Middleton routes. Middleton is not making any major service changes this year. They continue to work with developers on a high density urban village to the north and are planning for transit as they continue to grow.

Opitz added that there is interest in a shuttle between Middleton hotels and the airport as well as something from Verona (Epic) and a circulator around Middleton. None of that is moving forward at this point. The Marriott is interested in doing something on their own, which they can do.

d. Bremer – She thanked Metro for setting up meetings with appropriate staff about supplemental school service issues to keep the conversation going over the summer.

e. Potts – Fitchburg is working on a survey with Metro staff. They are also looking at getting some bus shelters on Fish Hatchery Road and funding to pay for them. There are a lot of heavily used stops on Fish Hatchery. They have a Transportation Improvement District (TID) on the north end of Fish Hatchery. The Joint Review Board initially rejected the plan because it included the shelters. They will probably end up using tax dollars. Kamp said if Ahna Bizjack hadn't spoken to Tim Sobota, she should. Part of the conflict is between basic shelters and something nicer. They are still moving ahead with Orchard Point, the Target development on Highway PD. There's a stop in the heart of that, and a lot of the ridership of Route 52 is Target employees from Allied and Dunn's Marsh neighborhoods. There are some larger plans that will have transit incorporated on eastern part of city.

f. Kennedy – A west campus utility project will be finishing near the end of summer. That will change Route 80 and cut 3 or 4 minutes from their time. There is a second bid going out for new shelters for campus. By agreement with Metro and the City, about 12 shelter will be put up before the end of the year. There is a pilot limited express bus back and forth to Eagle Heights which helps heavy loads on Route 80. The University is struggling with not having buses for special events from Metro. Kamp explained about that there are new federal regulations governing charter service which doesn't allow Metro to just go ahead and provide service for sporting events and that sort of thing. The first test case is with Rhythm & Booms. The event organizer has to ask Metro to provide the service. Then there is a detailed process where Metro notifies any charter operator who has signed up on the Federal Transit

Administration Website to provide service in this area. If after 14 days the event organizer hasn't worked something out with another vendor, Metro has to notify all vendors again. This is required for every event.

g. Bergamini – One comment that came up during public hearings is that the unlimited ride passes were being abused on a large scale. She wanted to reassure people that Metro drivers can ask people to show their IDs for any unlimited ride pass and confiscate misused passes. They are not being sold by the thousands on Craig's List. Bergamini checks a few times a year and there are a handful. There is a new advisory student group.

## 10. ADJOURNMENT

Sylvester moved adjournment; Kennedy seconded. The motion passed by voice vote/other, and the meeting adjourned at 1:31 PM.