



# City of Madison

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

## Meeting Minutes - Draft CONTRACTED SERVICE OVERSIGHT SUBCOMMITTEE

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Thursday, May 12, 2011

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

**Also present: Margaret Bergamini, Steve Arnold, Ahnaray Bizjak**

**Staff: Wayne Block, Dave Eveland, Ann Schroeder**

**Present:** 5 -

Susan M. Schmitz; Rick Rose; Bruce K. Sylvester; Darwin Ward and Mick Howen

**Absent:** 1 -

Jacquelyn M. Dahlke

**Excused:** 3 -

Rindert Kiemel, Jr.; Andrew Potts and Bill Burns

### 2. APPROVAL OF MINUTES

**Bergamini moved approval; Sylvester seconded. The motion passed. Steve Arnold abstained.**

### 3. PUBLIC COMMENT

**There was no public comment.**

### 4. DISCLOSURES AND RECUSALS

**There were no disclosures or recusals.**

### 5. [22383](#)

Regional Transit Authority Update

**The Joint Finance Committee voted to eliminate the authority for regional transit authorities, including the Dane County Regional Transit Authority. This still has to go to the legislature. Arnold wrote a resolution in support of the RTA, acquiescing to the binding resolution that will go to Fitchburg's next council meeting. There is also a resolution of support in the Madison Common Council and work being done in support of the RTA. The RTA in southeast**

Wisconsin had already been collecting taxes, so if this passes, they would have to wind down their activities and redistribute that money.

6. [22384](#)

Farebox Update - Compatibility with Different ID Card Systems

Metro staff had a meeting yesterday regarding continuing on the process of getting a new farebox system. Eveland is putting together the final draft of the request for proposals (RFP). Eveland said the procurement would replace all on bus fareboxes as well as infrastructure to handle the data and the cash. Staff is proposing to issue an RFP for a farebox system manufactured by the same company as current fareboxes because we will have a lot of the same components. Current fareboxes are 22 years old and were updated to accept magnetic cards 5 years ago. We want to replace them with fareboxes and equipment from the same manufacturer or an approved equal.

Metro also wants the ability to add a smart card reader at some future point. We are not pursuing a smart card reader now because we don't have the staff to develop a smart card program. Additionally, technological developments going on in the industry would allow multiple smart card protocols to be accepted by the same device in the future. That could be helpful with multiple contracting partners. We haven't yet surveyed our partners to see what they have. UW has proximity cards. Smart cards consist of a chip on the card or on a phone, watch, etc. There is a radio frequency signal allowing it to communicate with the farebox. The chip can store value, or just store a number or other things. Proximity cards do not store data on a chip. It can just share data stored in some other location. You can write back to the smart card. There could be some sort of information gathering such as origin/destination or where people exit. However, this is a good illustration of why Metro isn't ready for smart cards – we'd like this information but don't have the staff to develop this program.

The fareboxes we are getting will be approximately the same as what we have now. Although they will validate money denominations instead of just registering a bill being put in. However, we still won't offer change. The fareboxes could be set up in the future so that if a large bill was inserted, the excess value could be written to the card.

Bergamini asked how big a problem it is to have different smart cards accepted by different readers. Arnold said it's a matter of programming. You wouldn't have to swap out boxes if they are programmable to use different protocols with different kinds of cards. You would need adequate IT staff. Bergamini asked if Metro has an estimate of how many staff it would take to go forward with a smart card system. Eveland said we haven't assessed that. We know the equipment needs to be replaced now, and we know we can replace it in a more straightforward manner. We have to assess what would be required. Bergamini said if the assessment would be ready in time for the Mayor's budget, it is the type of position that would result in a huge cost savings and efficiency even though budgets are tight. Eveland said we could probably do this in a general way. It's going to be a tough budget year. He'll bring the message back to the general manager. Eveland said in the past we have identified additional IT staff as necessary, and we have not gotten approval. We also requested an assessment of IT staff and demands, and that has not been approved either. Bergamini says this has been mentioned in every audit.

She urged Metro to be aggressive in pursuing this.

Arnold asked if the smart card system could accept credit cards. The current system can but there are problems that make it difficult. Arnold asked cost range for this project. \$5 million has been budgeted, but it depends what Metro receive in the bid process.

Arnold said Metro is collecting about 10% of the operating budget through farebox revenues. He thinks Metro could boost ridership and get rid of a lot of cost by not charging for rides. There is a theory that users must pay. We don't have that system for the roads. This is the time to review that idea – what if we did not charge and put it all on the subsidy.

7. [22380](#)

Budget Update

Attachments: [JFC letter 4 13 11.pdf](#)  
[Beloit Transit email.pdf](#)  
[13c Transit Employee Protections.pdf](#)  
[LFB transit memo.pdf](#)  
[Rep. Louderbeck email.pdf](#)  
[WURTAhandoutfinal 1.pdf](#)  
[12-2010 financial performance-final.pdf](#)  
[2010 subsidy calculation.pdf](#)  
[3-2011 financial performance.pdf](#)

Metro will lose about 10% of state funding; that will start in 2012 and be about \$1.8 million. Other cities will be affected by the state budget as well, so that could be a factor that trickles down to Metro in the form of available partner funding. A primary concern for the 2011 and 2012 budgets is fuel prices. For 2011, Metro budgeted \$2.37 per gallon, which was the cost at the time. For the past month or so, prices have been between \$3.20 and \$3.40 per gallon. At that rate, Metro is spending about \$100,000 a month over budget for fuel. We were slightly under budget in the early part of the year because we were still working with a fixed price contract that then expired.

Schmitz asked the effect of hybrids on fuel usage. Block said usage is down, but he didn't know the exact numbers. He estimated that regular buses get 3 miles per gallon, and hybrids get about 5 miles per gallon. If fuel prices remain stable, Metro will be about \$900,000 over budget for 2011. In 2012 there will be fuel costs plus the loss of \$1.8 million in state funding. It is not possible to go back and lock in a lower price for fuel at this time. The city usually purchases fuel as a group, and it was hoped prices would come down. They didn't.

Block explained the federal funding issues regarding 13 (c) protections for transit workers. Part of the federal guidelines regarding how Metro gets grant funding addresses collective bargaining protections. If the budget repair bill is goes into effect and collective bargaining is significantly harmed, the federal government will discontinue giving Metro federal funding. Staff has had conference calls with the Federal Transit Administration (FTA) and Assistant City Attorney Carolyn Hogg has been involved. There has been an attempt to contact the Department of Labor attorney, but we've been unable to get a clear answer about how this will affect us. They take the position that they are adjudicators and will make a decision after harm happens. We need them to

tell Wisconsin what the consequences will be to counteract the Governor's claim that there will not be any negative effect. Representative Tammy Baldwin has been asked to intervene and get some clarification.

In some other states that faced this situation, transit employees were allowed to continue collective bargaining protections in order to keep federal funding. That solution was put forward in the Wisconsin legislature, but it did not meet with success. There is a lot of talk about "the Memphis plan" where public employees became employees of a private firm in order to keep collective bargaining protections and protect federal grant funding. Milwaukee transit is run by a private firm which is why their federal funding will not be affected.

Bergamini suggested maybe requesting information under the Freedom of Information Act or as public records. Metro is not in danger of losing the federal funds until the current bargaining agreement expires in 2014. This year we get over \$7 million in grant money. It has been decreasing significantly in the past several years. A few years ago it was in the \$10 million range. We're already struggling because we've lost significant funding. We also had stimulus funds which were one time funds. In addition, the state is moving transit funding from the transportation fund to the less stable general fund.

In 2010, we ended up with a deficit and had to use \$770,000 from our contingency reserve. Now we're down to approximately \$94,000 in our contingency. One reason for the shortfall is a health insurance premium increase of 10%. We had budgeted 5% based on past increases. Some offsets were positive such as paratransit MA waiver revenue coming in over estimate based on the number of rides provided.

Also, funding partners contributed a lot less than budgeted because the cost per hour was so much less than we budgeted for. The cost per hour is operating expenses divided by all revenue hours. Hours were much higher than estimated, but very few of those hours applied to any of the partners. They were things like road buses and deadhead hours. The number of extra buses has also increased, and there were some service increases that were all attributed to the City of Madison.

In 2011, we have started to add to our reserves. One reason we can is that revenues are up. We assume this is due to increased gas prices. Cash fares have been up in part due to protests and in part due to people starting to ride the bus who haven't purchased passes yet. The unlimited pass per ride price increased. We gained one new large partner for our pass program in October – the VA Hospital.

8. [22381](#)

Ridership Reports

**Attachments:** [March 2011 ride revenue.pdf](#)  
[Route Productivity Mar11.pdf](#)

Ridership is up by 6% from last year for the same time period. UW campus routes have shown some of the highest increases in ridership. Even without that, there is a 4% increase in ridership.

Arnold asked if the decline in road buses is due to extra buses being

incorporated into the schedule. Eveland said road buses are there for things like breakdowns. We have a new way of reporting data and we can attribute more "unknown" buses to specific routes.

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

Rick Rose (Town of Madison) – No report.

Ahna Bizjak - Fitchburg is continuing to put together their plan for 10 new concrete boarding pads. They will be located in transit neighborhoods equally. They also got feedback from users. They are getting prices for decorative shelters to be installed on Fish Hatchery Road. They are also looking at expanded transit service to the new library, and working with Metro on scenarios for that.

Dar Ward – UW installed cases for maps and schedules in all shelters and are currently getting materials printed. Installation will be in the next 2 or 3 weeks. They proposed some changes to Route 81 / 82 night time service. This was shelved due to negative feedback. They are going to hold forums to see how to improve service. Graduation is this weekend. Monday construction starts and so do detours.

Bruce Sylvester – Verona staff met with Tim Sobota and Colin Conn from Metro along with representatives from Epic to start discussions about increasing service.

10. ADJOURNMENT

Sylvester moved adjournment. Rose seconded.

The meeting adjourned at 1:09 PM.