



City of Madison

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

Thursday, November 10, 2011

12:00 PM

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

1. CALL TO ORDER / ROLL CALL

Staff: Chuck Kamp, Wayne Block, Drew Beck, Ann Schroeder

Guests: Karl Frantz, Mike Cechvala

The meeting was called to order at 12:02.

Present: 6 -

Susan M. Schmitz; Steve Arnold; Bruce K. Sylvester; Mark M. Opitz;
Darwin Ward and Margaret Bergamini

Excused: 6 -

Rick Rose; Rindert Kiemel, Jr.; Ahnaray Bizjak; Bill Burns; Shawn Stauske
and Mick Howen

2. APPROVAL OF MINUTES

Sylvester moved approval of the minutes; Opitz seconded. The motion passed
by voice vote/other.

3. PUBLIC COMMENT

There was no public comment.

4. DISCLOSURES AND RECUSALS

There were no disclosures or recusals.

5. [24457](#) Introduce Shorewood Staff

Kamp introduced Karl Frantz the Village Administrator from Shorewood Hills. The Subcommittee has been talking about partner issues, and he was invited to attend our meeting. Shorewood Hills is a small player, but there are major routes that go by the Village. They are very interested in mass transit and transit issues. They want to play more of a part in the scheme of things related

to public transit. They have a nice redevelopment project on Marshall Court on Section 42 housing if the credits come. One of the main things that the developers like about that area (near UW Hospital) is the transportation corridor that so many people can take the bus, walk, ride their bikes, etc. Arnold said there is a desperate need for workforce housing there as well. All of the affordable housing has already been spoken for.

Kamp said now is a particularly good time because we are updating all of our contracts. We're reviewing our history now, so thank you for coming. Frantz said their contract is based on a paratransit agreement. They didn't understand quite how that worked, so they are interested in trying to figure that out.

6. [24461](#) Update on 2012 Budget Process

Attachments: [Partner Share - Metro Budget Submitted.pdf](#)

Block said the 2011 budget amounts will probably change quite a bit. Ridership continues to increase, so the price will go down for all partners. There is an 8% increase in ridership. Also, fuel costs have been fluxuating. We've realized lower fuel costs per gallon in the last few months than we budgeted. It's come back up. The 2012 submitted budget is what we gave partners last. That is what Metro submitted in order to come up with a 5% reduction required by the Mayor. The partner share went up due to a reduction in service and didn't benefit from a fare increase we had anticipated. The 2012 amended executive budget is the result of Board of Estimates (BOE) approval this week. They reduced the overall cost of fuel in the budget by \$200,000 based on a reduction in price a few months ago. It's up again, but who knows what the future will bring. Kamp said there is also a health insurance adjustment of \$400,000 to the good. Metro will get some portion of that, but it has not yet been included in the amended executive budget.

Arnold asked about the ridership and revenue assumptions for 2012. Block said we will probably see a fairly good impact on the 2012 numbers. Kamp said in 2009 the growth in ridership over 2008 was 1/2 of one percent. We budgeted an adjusted base of about 1%, but we've seen 8% to 14% increases over the past few months. Bergamini asked when we would release new estimates. Kamp said we're nervous about the fuel adjustment. We think we have a little buffer on fare revenues but it could be offset by fuel. We won't submit an amendment to BOE, but can get something to partners.

7. [24459](#) Fitchburg Routes Like Verona Routes

At the last meeting there was a good question from Fitchburg wondering if they should be treated the same way for routes outside the paratransit boundary as Verona is. Kamp referred to a route 44 map. The route 55 is completely closed door from the West Transfer Point (WTP) to Verona. There are no portions of Verona in ADA paratransit area. There are some stops that route 44 and route 48 make in that area.

The Americans with Disabilities Act does not require paratransit service on commuter routes. That's why we don't charge Verona any paratransit costs because it's straight commuter service. Block said when we calculated the savings to Fitchburg of treating them like Verona, it comes to only about \$186. That is because of the way all the revenues and costs are allocated. It is based on annual hours, and the amended calculation would also reduce the amount of their credits.

Kamp said when any expense happens there are revenues credited. They are not all the same since some municipalities have different arrangements. For example Verona doesn't get paratransit funds from Dane County. We were surprised to see it made such little difference. Arnold said that service is such a small number of their hours, but he appreciates that staff checked on this. Had it been a larger amount, it would have been a question for the committee how we want to deal with this. What Fitchburg would really like is more paratransit service. But this is very helpful so he can tell people in his community that they are being treated fairly. Sylvester said maybe asterisk this information but don't break it out on future materials. Others felt comfortable with including something like "other municipalities have portions that are commuter routes" and "Verona is charged because its entire municipality is outside of the ADA paratransit service area." Arnold said they could also include in their transit plan that this was shown not to be a significant factor.

8. [24460](#)

Continuation of Contract Update Discussion

Attachments: [2010 partner share.pdf](#)
[2010 subsidy calculation allocate deadhead Pt2-for CSOS.pdf](#)
[2010 subsidy calculation allocate deadhead-for CSOS.pdf](#)
[2010 subsidy calculation Fitchburg FR hours-for CSOS.pdf](#)
[2010 subsidy calculation-for CSOS.pdf](#)
[Para Boundary Rtes44-48.pdf](#)
[Para Boundary-Route 74.pdf](#)
[Partner Share based on est.pdf](#)
[partner share with contingency.pdf](#)

Kamp said one point of discussion for updated contracts is allocation of deadhead whether it is equitable to all partners. We are going to look at numbers to see what 2010 looked like using current methodology and then show deadhead where every municipality shares deadhead based on that partner's routes and revenue hours.

Block said there are two routes in Fitchburg and one in Middleton where the route only services that municipality. Currently we have been assigning those deadhead hours to those two municipalities. Verona has a route that is completely for the benefit of Verona, even though it does stop at the WTP. In the past, we haven't charged Verona for deadhead, but next year we'll charge them for 100% of the deadhead. This discussion is about routes that have shared service and shared deadhead. Currently the City of Madison pays for all deadhead on shared routes. In order to be fair to the City of Madison and also to be aligned with the way we're charging for single community routes, we plan to charge the % of deadhead associated with the % of service hours for

that community. It's also consistent with UW and MMSD; they pay for all their deadhead time. Beck emphasized that we try to minimize deadhead time whenever possible.

The group looked at charts with current and anticipated calculations for deadhead time. With the exception of Verona, we're not considering this for 2012 because that budget cycle is already in process. Arnold said the key to making a sustainable system is treating everyone fairly. Right now, the City of Madison is not treated fairly. Then if services are at risk, cut, or fares increase, we all suffer. So he favors making this change for 2013. For Fitchburg, it is a 3% cost increase with no increase in service, but it makes for a more sustainable service.

Kamp said the next step is to meet with Carolyn Hogg who is helping to write the contract. We can reflect this deadhead change. Kamp asked what other issues needed to be discussed regarding the methodology. Arnold asked if the current methodology permits other partners not to charge for bus service such as the campus doesn't for route 80s. They would like that option for Fitchburg. There would be no farebox revenue, so Fitchburg would bear the full cost. Kamp said for routes that are entirely in Fitchburg that is more of a possibility. For shared routes it would become more complicated.

Sylvester wants to keep the notion in the mix about communities that are receiving service but not paying. Kamp said that includes Monona, Shorewood Hills, perhaps Maple Bluff, the Town of Blooming Grove, and the Town of Burke. Frantz said Shorewood Hills is paying for something – paratransit. Their contract is very peculiar and maybe should be changed to reflect what everybody else is doing.

Arnold said it could be important to look at a fiscal diagram of the impact of the towns that aren't paying. He wants to be fair within reason. If there is one stop and it would be another \$186 – we don't want to contract with another municipality for that amount. Kamp said we'd focus on substantial fiscal impact which would be 2 or 3 municipalities. We'll have a chart of that at the next meeting.

We passed out a chart a few months ago about what each partners' contingency fund looks like. Arnold would like a summary of what can cause an estimate to be off. Fuel prices affect everybody equally. He can think of service changes. Do clean air days/free rides make a difference? What other things can affect a partner's estimate? Kamp said he'd start with fuel. Also this committee and the Transit and Parking Commission approved a calculation a few years ago that we use for the full year, even if fuel costs changed. We would get the overage from the City of Madison. This used up Metro's contingency.

Block said fuel, substantial service changes, a huge change in federal funding (state funding is more knowable) would affect all partners equally. Arnold is looking for what would be a change just for one partner. Individual effects such as ridership. Arnold said this is a strong justification to continue to have an individual contingency for each municipality. Ward said UW does not want to give the money to Metro to hold. They want the money liquid, and they can come up with it if necessary. Perhaps that is not true of other partners. Block said we can't calculate that 5th quarter payment until quite a long time after the

year ends. It takes until April to determine what that final balance due is. Some partners have already closed out their books on the previous year and the next year's budget is already set. For Fitchburg, the contingency is a huge help. Bergamini said she would like to have the city hold the contingency for the ASM part of the budget.

Block said until the contingency reaches 15% of the annual fee, no money can be taken out of the fund by agreement. So if there is a difference this year, contingency money cannot be used.

Ward said some discussions need to happen at this table, but she also needs to discuss things about the contract with her managers. Kamp said we need flexibility, but there are past contracts that are so unique we really need to bring some standardization. We need to find a balance. We're looking at agreement here on what our standard boilerplate should be, recognizing that there are some deviations that we will try to keep minimal.

Arnold said in the spirit of fairness and transparency, differences should be noted in the master contract so everyone can see how that situation would be treated. He has no problem if another partner has a different scheme. If UW is good for the money and can cut a check in the 5th quarter, he is ok with that as long as they pay their fair share along with other partners. He also said he wants to be able to use the contingency if necessary because he needs it, but then he'll pay it back the next year. If there is a good year where he would get \$10,000 back and he is still under the 15%, that money can roll back into the contingency. He needs to be able to use the money but understands he can't get behind in building up the contingency. Block mentioned that the 15% is a moving target because it is 15% of the local share, so it changes regularly.

Ward asked about the timeline for finalizing contracts. Kamp said if we could agree on contingency and deadhead, we can make a timeline with Carolyn Hogg and bring that back to the next meeting. Kamp asked the group if they would like to take action on deadhead and contingency in the master agreement at the next meeting and then develop a timeline. Ward said she'd like to see the master agreement or principles of those items for the next meeting and then be able to take it back to her managers and vote on it at a subsequent meeting. Members agreed it would be helpful to have major principles in plain language to take back to managers and then spend time later on legal language for the actual contract. Also include standard addendums for opting out of the contingency fund, commuter routes, etc. We would show the standard methodology and then show an alternate calculation for commuter service only.

9. [08290](#)

Reports of Member Communities/Institutions

MPO (Mike Cechvala) – They are doing a study about bus rapid transit (BRT) that will take 6 to 12 months. Funding is from a sustainable communities grant. The study will look at giving the consultant routing alternatives to do research and make recommendations on transit priority items like signal priority, dedicated lanes, and limited stops. They are looking at a variety of corridors to analyze ridership and cost. Some will be regional express commuter routes to communities that don't have current service. That could be relevant to a future regional transit authority. There isn't a lot of funding for a full system but perhaps some service restructure options, park and rides,

and signal priority.

Sylvester asked if it is essential to BRT for buses to have their own rights of way. Cechvala said there is light BRT and heavy BRT. Full BRT includes mile to half mile stop spacing and dedicated lanes. Light BRT is maybe stop consolidation rather than full service, consolidated bike, bus and right turn lanes. They will be looking at just route restructure and stop consolidation at this time, but it is possible for a dedicated lane system to later be converted to a light rail system.

Bergamini asked why the study is being limited to the current service area. Cechvala said the goal would be to have 15 minute service all day, so it is focusing on high use areas, not a specific geographical area. Bergamini said some areas don't have service, so we don't know what their service level would be, such as Stoughton and Cottage Grove. Cechvala said they're looking at the center of the system where the most potential is and then looking outside that to the McFarland and Stoughton areas as well.

Verona (Sylvester) – It is time to submit their application to WisDOT. They have an average ridership of 22 people per bus. Thirty-eight seated and 15 standing is very full. Some buses are very full and most are at least 1/3 to 1/2 full. Epic has requested more service. One problem is that we have limited buses. Beck will research if one bus could be made available and call Sylvester.

Middleton (Optiz) – Their transit budget will not suffer any cuts. He did a survey of Saturday service to convince the council that it was valuable service. He got good, interesting feedback. There are a variety of uses of bus service on Saturday. Many people are going to Greenway Station for retail jobs.

They applied for a 3rd round of TIGER grant funding. They downsized their original project proposal to a smaller project of \$14 million.

ASM (Bergamini) – A record number of passes were handed out – about 20,000. The University is going through the process of looking for various efficiencies. Two top areas were IT items and space allocation. One suggestion might be changing class change times. Campus geography has changed a lot since they went to 15 minutes between classes.

UW (Ward) – They looked at making changes to campus routes last year; they were not ready at that time. In part because of that issue and also because both the Director of Transportation Services and the Interim Chancellor are interested in re-evaluating the funding split between transportation services and ASM, there will be an on-bus survey to determine the split of riders. Transportation services is also doing a customer analysis – calling and interviewing people about possible needs. That information will be used to move to focus groups and open house presentations and maybe a broader survey.

Fitchburg (Arnold) – The council passed the budget. There were three transit related amendments – the Mayor proposed increasing transit funding to cover the existing level of service. They fended off two amendments to cut service; a third one passed. They are looking for \$12,000 for transit funding. They are going to see if they can squeak by without service changes or if they have to

go through a public process and make some service cuts. There was a proposal for new service. It didn't pass, but discussion happened. They are trying to re-frame the discussion to cost to the city per ride instead of overall cost. Also, they changed the language from "subsidy". They are trying to line up Chamber of Commerce and businesses to show how transit can benefit the city.

Shorewood Hills (Frantz) – Their interest is to be an equitable partner. They do have questions about what is equitable. They have a couple of stops in the village that are heavily used – the VA and UW hospital. They want to make sure however they are involved that it is as fair for everybody as possible.

10. ADJOURNMENT

A motion was made by Opitz, seconded by Sylvester, to adjourn. The motion passed by voice vote/other.