City of Madison

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

Meeting Minutes - Approved

TRANSIT AND PARKING COMMISSION

Tuesday, August 12, 2008 **5:00 PM** **Room 260, Madison Municipal Building**
215 Martin Luther King, Jr. Blvd.
(After 6 PM, use Doty St. entrance.)

PLEASE NOTE: Items are reported in Agenda order.

A. CALL TO ORDER/ROLL CALL

The meeting was called to order at 5:04 PM.

Present: 8 -
Margaret Bergamini; Jed Sanborn; Carl D. Durocher; Amanda F. White; Gary Poulson; Duane F. Hinz; Sharon L. McCabe and Kenneth M. Streit

Excused: 3 -
Brian L. Solomon; Robbie Webber and Kevin L. Hoag

Durocher introduced new member, Margaret Bergamini, and asked her to tell members a little about herself. Bergamini said that she was a long-time Madison resident, bike and bus rider, and worked at the Office of the UW Dean of Students, helping the students coordinate the bus pass program and working with UW Transportation Services on the Campus bus system and other initiatives. Having attended so many TPC meetings in the past as a visitor and registrant, she was happy to now serve on the Commission.

B. APPROVAL OF MINUTES

A motion was made by Poulson, seconded by Streit, to Approve the Minutes of the July 8, 2008 meeting. The motion passed by voice vote/other.

C. PUBLIC APPEARANCES -- None.

D. TRANSIT AND PARKING QUARTERLY REPORTS

D.1. [11581] Parking: June 2008 Revenue Report and July Activity Report, and Revenue/Expense History 2003-2007 - TPC 08.12.08

Knobeloch opened by saying that in previous months he had reported Parking revenue was soft but would probably rebound. He now thought it would not. As he had already told the Comptroller, there would probably be a $400K revenue shortfall for 2008, assuming that things did not get worse. Knobeloch attributed this to the poor economic outlook and high gas prices. Judging by Metro's numbers, he assumed more people were probably taking the bus. Parking had already taken steps to cut some costs, but some big expense items couldn't be cut:

· Concrete remediation in the ramps will cost over 800K this year, and having found some additional issues, Parking will now have to ask for more.

For safety's sake, this project had to continue.
· Though it could be pulled, the $1 million multi-meter project supported by the business community would be continued because it had the potential to create more money.
· TDM plan review needed to continue, to review the plans for Physicians Plus and 222 W. Washington, Blackhawk Church and University Place. The MPO said that Ward Paxton could do this along with other work being done for Parking, and $19K was already in Parking's budget under "consultant" to do this.

Knobeloch said that the revenue shortfall also created problems with Parking's cash flow, which impacted what Parking could do in the future. Three big-ticket projects had been planned:
· Most importantly, the replacement of Gov East, which was 50 years old needed to come down and be replaced
· A proposal for a new hotel on the back of MMB, which would include a ramp of 570 stalls, if that project went ahead
· Brayton Lot (City market) commercial-residential development.

Knobeloch said that with the cash flow problem, only one of these projects was feasible, probably Gov East. If Gov East weren't replaced, Parking would have to re-evaluate the way maintenance was being done there. With these cash flow problems due to revenue shortfalls, a substantial rate increase (involving 45 variables) would have to be considered for 2009, probably starting before June. Knobeloch said that $1.1 million in additional funds would be needed just to replace Gov East, not to mention other old ramps that would eventually need replacement. Parking would have to look closely at how it spent and raised money.

Turning to the reports, Knobeloch said that almost every area had gone down, with 2008 YTD revenues $168K lower than 2007, and actual revenues $192K lower than budgeted. Average occupancy was off slightly at all ramps except Gov East, and there was one less revenue-generating day. However, poor economic conditions and higher gas prices certainly also factored into the declines.
· On-street meter revenue was $60K below 2007 levels, probably due to meters being out of service and lower occupancies.
· There were four sets of snow emergencies (eight days) during January and February – at which time people didn't have to pay to go in/out of ramps – which also hurt.
· Construction-related revenue was bad as well; hangtag sales were the lowest since 1998, the first year this was tracked.
· Residential parking revenues were slightly ahead of 2007; but were basically a "wash" due to decreases in revenue in other areas.
· Average weekday occupancies: Cap Square North and Overture were down significantly, GE and State St Campus were up slightly, State St Cap, Brayton and Buckeye were down slightly.
· The on-street meter enforcement rate was about 23%; on Campus, there was a 98% chance of receiving a ticket within one hour when parked without a permit, at an expired meter, etc.
· Monthly waiting lists: Cap Square North, Overture and State St Cap were down; GE was up slightly.

In thinking about rates for next year, staff thought about the waiting list and how to adjust prices for monthly passes. For example, GE had a 1½-year wait, because the pass was relatively cheap compared to hourly rates there. Staff thought that pass costs at every ramp should be equal to at least 16-17 days of hourly parking. Because of the way they filled up every day during the season, staff thought that there was room for increases at GE and Brayton for sure; but by contrast, it would be tough to raise rates at Overture. When asked about the increase of people on the waiting list between 2007 and 2008, Knobeloch said he thought monthly rates were probably too cheap relative to hourly rates. If the number of people on the waiting list was significant, the prices were probably too low.

Turning to Revenues-Budget vs. Actual, Knobeloch noted that Parking's projections were usually conservative, and this year it looked like actual revenue would be below these projections.
· Overture was 10% below budget, $43K; significant because rates were not increased there at last set of increases, and rates there were 70¢/hour.
· Brayton Lot was a little above, Buckeye was little below, Cap Square meters were 10% above, Monroe Street meters were 15% above, and significantly, University Area meters were 21% below.
· In the first six months, actual revenue was 3.68% below projections, $192K.

Some highlights of YTD Revenues 2008 vs. 2007 were:
· Advertising revenue was down 22%; Adams took out excess signs and was down to minimum number of signs; some signage changes proposed by Adams were being reviewed by Planning.
· Overture was down 6%; MMB was down 2% due to free parking for people with disabilities; UW wasn't required by state law to offer free parking like this.
· University Area meters were down 20%; and contractor permits were down 25%; Wilson Lot was down 3%.
· In the first six months with the same rates as last year, YTD revenues were down 3.24%, $168K.

At places that have permit parking, like Wilson Lot, the delay in filling vacant spots causes lost revenue even though in theory the spots were all filled.

Looking at occupancy and revenue at each facility, Knobeloch noted that at MMB, while occupancy went up, revenue went down due to free parking; at Campus Area, occupancy went up but revenue went down, possibly because length of stay was shorter; Meriter Route was up about 5%, which was good. Comparing April, May, June occupancies in 2008 vs. 2007, on-street meters were comparable. Ramps showed decreased occupancy in May and June, 2008 vs. 2007.

Regarding Revenues/Expenses Summary (1993 forward), Knobeloch explained that the report showed how much revenue and how much expense was generated including capital expenses, and identified the net revenue or expense per stall at all the facilities. For 2007, there weren't many capital expenses, and revenue numbers were still good because the slow-down mentioned earlier hadn't yet occurred. A big variable not seen much in the report was debt service; but if Parking were to rebuild Gov East, $25 million of debt would be created, which would pop the numbers up, especially in the ramps. As a result, Knobeloch cautioned people not to get too enthused about

the positive numbers they saw on the report.

· Street meters had had net revenue of $519/stall in 2007, and with a lot of stalls, these revenues provided a cushion to do other projects and pay of debt.

· Cap Square North had negative net revenue, with a loss of $20/stall there; and Overture lost $264/stall.

· With lots of people and high rates, net revenue at Gov East was $1,100/stall.

· Combined revenues at the State St Campus ramps were $835/stall; and revenue at State St Cap was $237/stall.

· Blair Lot had negative revenue of $81/stall; while Brayton with high rates and occupancy had net revenue of $624/stall; Buckeye made $300/stall.

· Evergreen Lot lost $816/stall, even with high occupancy because of Trader Joe's because of a low hourly rate of 50¢, which make it hard to make ends meet, esp. with PILOT and other costs.

· Lot 88 MMB lost $586/stall, Wilson Lot lost $374/stall, and Wingra Lot (by the Library) lost $1,194/stall.

Knobeloch said that Parking was proceeding with the multi-space meter project, and showed a prototype of the stall markers that would identify the space number and the time limit, and instruct people to pay at the multispace meter. The marker would go atop the current (1,400) meter poles, which could also be used to hang bike racks.

White asked Knobeloch if any marketing about the cheap rates at Overture had been marketed to people, especially to those at Gov East or on the waiting list. Knobeloch said that they did tell people about Overture every chance they got, esp. those who wanted to leave City parking (to point out that monthly parking was $133 at GE and $103 at Overture). But even with marketing and such efforts as the free Ramp Shuttle, people just didn't seem to want to park there. The current cost difference didn't seem enough incentive for people to want to use Overture, but maybe after rate increases next year when rates at GE could be double that of Overture, people would decide to try it. Knobeloch said that Parking had done some marketing, but should do more.

Poulson wondered if there was any thought of putting meters in where now there was 2-hour parking near the downtown, especially where residential neighborhoods are near employment buildings. Knobeloch said yes but that he wouldn't put it in strictly residential neighborhoods. Taking the University's suggestion, Parking would be changing the 2-hour meters to 3-hours on (1400 block) Monroe Street, based on the way students schedule classes in two-class blocks, which might make these meters more attractive to students. Parking had picked out a dozen streets to add 3-hour metered parking, as for example on Mills Street, between University and Dayton. Parking was allowed there on both sides of the street on Sundays, though no parking was allowed otherwise. Knobeloloch said that Parking was currently working with Traffic Engineering to see if parking could be located on one side of the street by the church, esp. since construction trucks were now using this space all the time without problems.

Streit asked if bond requirements would prohibit closing Overture part of the day and staffing only for special events, to save operations and maintenance costs. He also observed that current weekday occupancies for Overture and Cap Square North even when combined came to less than 90% occupancy, and

wondered if one ramp was sufficient to meet the need. Knobeloch said that with an abundance of parking near Overture (esp. at Metropolitan Place), people would probably just go elsewhere if they were forced to move. Bond covenants wouldn't allow the Utility to intentionally reduce revenue; and in partially closing Overture, it was likely business would be lost. Knobeloch also said that a partial closing of the ramp would not significantly reduce maintenance costs there. Hinz observed that the costs for cashiers to staff the ramp were significant. Knobeloch said there were two cashiers working at Overture each day, but like all other facilities, people had to use machines for part of the day. Knobeloch said that perhaps the two top floors could be closed to help save on maintenance, but he didn't think the savings would be great.

Bergamini commented that it was unlikely that gas prices would go down in the long run, and as a result, the revenue crunch would probably continue. She noted that the City was looking at its zoning regulations and codes, and wondered if Parking had been asked for input about current requirements for parking stalls per square foot. Knobeloch said that Planning regularly asked staff for its opinion on whether that number should go up or down, and added that with several factors at play, there were reasons to recommend both. Bergamini mentioned having seen display ads for parking under the new University Square, with rates ranging between $225 and $300/month, and noted that other locations had rates of $90-100/month. She wondered if Parking surveyed private facilities for their rates. Knobeloch said Parking did this annually, and that he knew ULI (across from MMB) had rates of $3/hour to discourage hourly parkers because they require more work, but their monthly rate was the same as Parking's. IN response to a question from Durocher, Knobeloch said that Parking was not locked into a 50¢/hour rate at Evergreen and had total flexibility there because there was no agreement. He thought that rates could be higher there, and said that Parking had wanted to put a 2-hour limit at those meters, but that the Commission had approved a 1-hour limit as requested by Trader Joe's.

Streit/Hinz moved to receive the reports. The motion carried unanimously.

D.2. [11577] Metro YTD Performance Indicator Reports - TPC 08.12.08

Looking at Fixed Routes, Kamp pointed out the following:

- **Levels of Service Supplied were comparable between 2007 and 2008 YTD.**
- **Ridership increased by 350K for first six months of 2008.**
- **Vehicle accidents had increased significantly due to the weather, but noted however that in the second quarter of the year, the number of passenger and vehicle accidents that were preventable and chargeable (i.e., Metro's responsibility) had dropped from 34 to 28.**
- **In fleet maintenance, road calls were up, partly due to winter weather and partly due to some overheating problems with the Gilligs, which was being addressed with Gillig.**
- **A highlight was that scheduled maintenance remained on track.**

Looking at data from 1997 forward, five of the first six months hit historical highs (except for March, which was driven by a different spring break for UW and the Schools), with increases ranging from 4-6% per month.

Turning to route productivity (ridership by route), ridership had increased by

5.5% in 2008; and productivity (trips/revenue hour) had increased by 5.9%, from 34.5 to 36.5 rides per bus per hour, across the system. Kamp said that for bus transit systems across the country over the first four months of 2008, ridership increases had averaged 3%, vs. the higher rate of 5% for Metro. He noted that quite a few of the commuter routes were up significantly: Route 55 (to Verona and Epic) was up 52%, Route 47 (Arbor Hills commuter) was up 32.5%, Routes 44 and 48 (Fitchburg commuter routes) were up 23.4%. Due to a driver tracking error, Route 80 numbers appeared much lower than expected; but with the error corrected, Route 80 numbers were up 7% in June.

Regarding Paratransit Performance Indicators, Kamp pointed out that though YTD ridership numbers were down slightly, ridership in June 2007 vs. June 2008 increased from 20.6K to 21.1K. Staff attributed the slight drop YTD to the bad weather in the first three months of the year, which impacted paratransit riders more significantly. Staff expected the YTD numbers to rebound over coming months. Among providers, Badger (23.8%) and Metro Direct (22.1%) had the highest number of trips. Kamp reminded everyone that the contract with Laidlaw would end on January 1, 2009, and the shift had begun to other providers who would pick up the slack. Looking at Customer Service, Kamp noted how the numbers varied by provider. He observed that Metro Direct had the second highest number of complaints but it also had a very low number of late service reports, with an on-time performance rate for June 2008 of 89%. He predicted that this percentage would improve over the remainder of the year.

With paratransit ridership down slightly and Group Access up YTD, total paratransit ridership was up slightly. Passenger accidents were down and vehicle accidents were up, largely due to bad weather earlier in the year. Maintenance items were on track. Looking at historical data, only April broke the record over previous years, once again, largely due to poor weather in the first three months. Kamp predicted this would improve over the remainder of the year.

Kamp highlighted items for Customer Feedback YTD. Total reports went up from 1,483 in 2007 to 1,978 in 2008. Of those 500 additional reports, half were related to route changes. In the Fixed Route category, of the top five areas of complaint, four of the items related to timing issues (early, late, never came) could be tracked by GPS. Using GPS, supervisors found that 90% of the time, these buses were actually within the on-time range. Staff looked closely at comments related to safety and particular employees receiving a certain number of complaints. Paratransit complaints were continuing to decrease, down by half from 2005. Kamp concluded by saying that compliments were up YTD from 74 in 2007 to 97 in 2008.

Turning to the chart comparing mileage for hybrids and for regular buses on/off Campus, Kamp said that hybrids on Campus were getting 42% better mileage than regular buses; and hybrids off Campus were getting 38% better mileage than standard buses. Concerning the issue of higher fuel costs and breaking even on the higher purchase price of hybrids, Kamp said that the last bid for hybrids was $490K/bus and the cost for standard buses was $310K, leaving a difference of $180K. Looking at the second chart showing fuel costs and savings as fuel economy increased, Kamp focused on 38% savings when

miles per gallon went from 4 to 5.5 mpg. At 38% savings and a range of fuel costs from $2-$5/gallon (and assuming the life of the vehicle would be 500,000 miles over a period of 12 years), the range of savings would be $68K (if fuel costs were as low as $2/gallon) to $170.5K (if fuel costs were as high as $5/gallon). As a result, changing fuel prices from $2 to $4 (the high in 2008 was $4.17) was having an impact on this issue.

Kamp then introduced the new Finance Manager at Metro, Wayne Block, and remarked that overall passenger revenues were up, but diesel costs were off by more than these revenues. Block then went on to highlight some of the items on the Financial Performance Report 2007 vs. 2008 YTD.

· Passenger revenue was up considerably and continued to steadily increase. Between 2007 and 2008, cash, ticket and pass revenues were up 9%, strictly due to ridership increases.
· Unlimited ride revenues were up 18%, some of which derived from fare increases in a few of the pass agreements (inc. the UW Student contract).
· Among Expenses, there was a 6.6% increase in salary and benefits, including overtime. Overtime was the biggest factor, going up 52%, mostly occurring from January through April; but this had come down considerably since then, and OT expense in June of 2008 was less than that of June 2007. Block hoped to see this continue to be on the positive side through the rest of the year.
· Natural gas was up 34%, a bigger increase than anticipated.
· Fuel costs were up 38%. Diesel fuel was budgeted at $2.45/gallon, and Metro had paid as much as $4.17, but the latest cost was $3.35.
· Bus parts were up over 40%, partly due to a costly bus fire; also winter was hard on the vehicles and costs for parts had gone up significantly.
· Interdepartmental charges were up 32%, strictly due to snow removal costs passed on by the Streets Department.
· Metro now had a half million-dollar deficit; and after an extensive review of the budget, it was anticipated that Metro would probably have three-quarters of a million-dollar deficit by the end of 2008, exclusively related to the cost of diesel fuel.

In response to a question, Block said that the report was a quasi cash flow analysis; depreciation was shown, to come to total operating expenses on an income statement basis, which was then backed out.

Kamp then responded to questions. Kamp said that fuel was currently being purchased on a float with a company that won the contract offering the lowest gap price on an index that was used. Costs varied load by load. He said that along with the rest of the City, this arrangement would be reviewed to test the market again. Kamp said that a City-wide departmental meeting had been held to review the response to the bad winter weather. He cited one example of communicating with Streets about the need to plow Ingersoll right away after a storm. Personally, he was concerned about plowing streets all the way to the curb as well as perhaps restricting parking, to avoid making narrow streets even narrower for buses. Staff was continuing to think about such issues and discuss them with other departments, in preparation for next winter.

Regarding the ongoing issue of overtime (esp. in the first quarter), Kamp noted that there were currently twelve driver vacancies, and that Metro was working on managing such vacancies, to better time training classes to occur when

retirements were anticipated. He added however that by filling the vacancies with OT, Metro had saved $300K on salaries, with OT being less than 1.5 times that amount; but Metro hoped to still reduce OT further through strategic coordination among supervisory staff and through the labor contract. Staff observed that after 2 to 3 months of bad weather, more people seemed to be calling in, probably because they were tired. Metro had gotten down to the bottom of its overtime lists, which was very unusual. He concluded by saying that he thought managing vacancies would have the biggest impact on lowering overtime, and he hoped that the labor contract would address attendance, which got at issues around managing overtime.

White thanked both Parking and Transit for the great and more extensive information provided in their quarterly reports. Streit/White made a motion to receive the Reports. The motion carried unanimously.

UNFINISHED BUSINESS ITEMS

E.1. **11578** TPC Resolution No. 19-16, memorializing 7/3/08 approval of 31-day Senior/Disabled Pass - TPC 08.12.08

Staff explained that adoption of the TPC Resolution merely memorialized previous TPC approval on 7/8/08 of the 31-day Senior/Disabled Pass program. Because TPC actions on Metro fares and policies did not go through the City's legislative process, a set of TPC resolutions were kept as an historical record of such actions. Adoption of the resolution was a formality.

A motion was made by Poulson, seconded by McCabe, to adopt TPC Resolution No. 19-16. The motion passed by voice vote/other.

E.2. **11579** Metro: Staff recommendations to discontinue efforts with Swiss Colony to lease space for parking/improvements at the East Transfer Point - TPC 08.12.08

Kamp said that the 2005-06 capital budget contained funding for the necessary improvements and arrangements with Swiss Colony for a formal Park and Ride at the East Transfer Point, though riders were already parking there informally. In the two years since Kamp had started at Metro, there had been an ongoing effort with multiple delays. The recent Letter of Intent was prepared to try to get the process on a schedule. The letter was signed on April 17, 2008, with a 60-day period within which to begin negotiations.

After not hearing anything and because Metro’s capital budget for 2009 was due in late June, Kamp began the process of shifting the money around, and moving on to other things. Plus, Metro and a lot of other City staff had been working on this for two years. The situation was complicated by the fact that the group Metro needed to deal with was not the local Swiss Colony but was a company located in New York, and a solid relationship with them just hadn’t developed. With such a tenuous connection to the NY group, Kamp wondered how issues that might come up with the lease could effectively be worked out. Though the local Swiss Colony had contacted Kamp about moving forward following the 60-day deadline, Kamp questioned the value of this if the parties in NY were not directly involved. Having informed the Mayor’s Office, he recommended that staff discontinue their efforts, and wanted the Commission to weigh in on this recommendation.

During discussion, Kamp said that it appeared Metro customers were already informally using the parking lot near the ETP to park and ride, as they were around the WTP and other locations. He noted that the LRMTP Final Report talked about this trend, and Metro intended to continue its efforts to locate good Park and Ride lots. However, for this to happen, there needed to be a motivated seller and buyer. Durocher wondered what would happen if the Commission were to place the item on file and take no action, in order to allow Metro to move on but yet stay open to responding should Metro unexpectedly hear something. Kamp replied that the one challenge of doing that would be moving forward to efficiently use the 2005-06 capital grant money involved ($160K), to hopefully begin planning to reprogram this money to buy additional buses or such improvements as cameras or automated counters. He added that the recent contact from the local Swiss Colony seemed very much like previous overtures that had resulted in no meaningful progress.

Streit/Poulson moved to relieve Metro administration from following through on the Letter of Intent, and to allow Metro to assume that it can reprogram the money involved. Streit said that he agreed with Kamp's assessment, and wanted to give Kamp official support for refocusing his efforts; Metro could still respond later on to any meaningful initiatives by Swiss Colony if the opportunity arose. The motion carried unanimously.

F. NEW BUSINESS ITEMS

Poulson/Hinz made a motion to suspend the order of business in order to take up Item F.2. ahead of Item F.1. The motion carried unanimously. The meeting proceeded to F.2.

F.1. **11580** Metro: Virchow-Krause 2007 Draft Audit Report - TPC 8.12.08

[PLEASE NOTE: This item followed Item F.2.]

Jodi Dobson, a Manager at Virchow Krause and Company, presented highlights from Metro's 2007 Audit. She talked about the audit process and audit roles.

Management processed data on a regular basis and prepared information at year-end for the auditors. Metro had faced some special challenges in 2007 with staff turnover, but Dobson was happy to report that as the audit began, management was ready with boxes of information organized in just the order requested and with information on a CD-ROM, which made the audit very smooth. Management also prepared its "Management Discussion and Analysis" (MDA) as shown on pages 3-14, which provided an overview of what happened over the year and compared it to prior years, and discussed trends, key changes, grant status, ridership, operating statistics, and more. This section gave a really good picture of what happened, even without reading the entire audit report.

Referring to pages 1-2, Dobson described the auditor's role: to review the financial information supplied by management; and to provide an opinion as to whether these financial statements were materially correct, based on various auditing standards and sampling. Paragraph four stated the opinion that Metro's financial statements presented fairly, in all material respects, the

financial position and operations of Metro – the best opinion and highest level of assurance the auditors could give.

Dobson discussed the Commission's role in the audit as the governing board, to select the auditors and to review the audit results, as well as to provide oversight to management throughout the year regarding procedures and policies. Management was invited to contact the auditors if questions about those should come up. As far as the role of regulators and funding agencies, transit systems were in a unique situation because of receiving so much of their funding from state and federal sources, and the auditors constantly looked at this as well, in particular by conducting additional compliance testing related to those grants.

Dobson pointed out the following financial statement highlights for 2007 vs. 2006, on page 17:

· Operating revenues went up 9.5%, partly due to increased ridership (as seen throughout the industry because of the economy), and partly due to changes in unlimited ride contract rates.

· Under operating expenses, there was about a 4% increase, with a 4.7% increase in purchased services primarily for purchased transportation. Citing page 6 of the MDA, paratransit showed an increase in purchased transportation and a decrease in labor – a sort of offset. Also, there was a 26% increase in interagency charges due to snow removal in last quarter of 2007.

· Total subsidies only went up about 3.5%, reflecting the battle that transits continued to face: operating expenses increased faster than subsidies.

· Metro was in a good position in that operating revenues had increased at a higher rate.

Dobson further noted that Metro's contingent reserve had increased by $609K, and turned to pages 15-16 of the report, which represented the snapshot in time at year-end. The large decrease in receivables from the State and the FTA was simply due to the timing in the draw down of the grants between 2006 and 2007. The timing was cleaned up in 2007. Related to this, the top line on page 15 showed no cash at the end of 2006; and the top line of page 16 showed a large amount of money "due to the City". These items represented an offset, which had now been remedied by the timing fix for grants. The significant increase in "Transit plant in service" assets reflected the purchase of five hybrid and eight paratransit buses.

On page 16 under Non Current Liabilities, the new line identified as "Unfunded OPEB liability" pertained to a new accounting standard adopted by the City (GASB No. 45) related to "other post-employment benefits". The big item in this category was health insurance for retirees, whereby retirees could remain on a city's health insurance plan at their own cost, by paying 100% of the same premium as charged for current employees, with nothing paid by the municipality. Standard setters reviewed this and suggested that when retirees were allowed to remain on a city's plan, the premium paid for all current employees was higher than it otherwise would be. The City of Madison went through an actuarial study to look at all the different retirement benefits and health insurance benefits available to retirees in the different plans, to determine what the implicit rate subsidy was, with current employee premiums probably a little higher due to retirees being allowed to participate in that plan. Dobson said that was what this liability represented. The City was saying

that there was no requirement to fund this, and that insurance for current employees was what would be paid on an annual basis. However, this information reflected what the accounting world wanted to people to realize, that as they offered this benefit, it may be costing them something today related to current employees getting that benefit when they retire. More information about this was contained in Note 8 of the Financial Statement.

Dobson turned to the Virchow Krause letter to the TPC, and pointed out the following items:

- **New internal control audit testing re: policies and procedures: Metro provided all the many documents and items requested, and the auditors found no key controls were missing.**
- **Prior year comments and recommendations for year-end adjustment in materials and supplies: Metro implemented a new inventory system in 2007, and the year-end adjustment in 2008 should be minimal.**
- **Prior year comments and recommendations about grant receivables: 2007 grant draws were processed in a timely manner.**
- **Internal control standards to identify significant deficiencies or material weaknesses in preparation of financial statements, i.e., where there was more than a remote chance that material misstatements in financial statements could occur: Ideally, the entire audit report should be prepared before the audit begins, in such a way that the auditors would not need to make any changes to it. This did not occur with 90-95% of the auditor's government clients, either due to the size of staff or because governments did not want to keep a huge number of CPA's on staff. So it was not unusual to find this. Dobson reported that there were no material or audit adjustments with Metro's statements this year. The GASB No. 45 was a new item, and the auditors and Metro had to work out where this information would be, along with a few other items that the auditors had to put time into. Nonetheless, the report was almost 80 to 85% complete. She cautioned though that new accounting standards were constantly being set, which would keep everybody on their toes.**
- **Responsibility of the auditors per auditing standards: The auditors were responsible for providing a reasonable assurance about Metro's financial statements, but not for giving an opinion about the internal controls of the organization or that every dollar was in the right spot. Materially, taken as a whole, things were correct and the statements provided a good presentation of what was going on.**

Dobson summarized the remaining communications (contained in pages 5-7), and noted that there were no remarkable issues or concerns to be addressed. In response to a question, Dobson said that it would be fair to say that Metro staff understood what the financial reporting requirements were, but simply didn't have the time or resources to produce the entire document for the auditors.

White/Hinz moved to approve Metro's 2007 Audit Report. The motion carried unanimously.

[PLEASE NOTE: The meeting proceeded to Agenda Item F.3.]

F.2. [11194](#) Authorizing the Mayor and City Clerk to enter into an agreement with the University of Wisconsin - Madison for the University to purchase and install sixty-three (63) Bus Shelters within the University of Wisconsin - Madison boundaries as well as to provide parts and/or reimburse the City of Madison for parts into perpetuity for the maintenance, repair, and replacement of the shelters, to be done by Metro Transit.

[PLEASE NOTE: This item followed Agenda Item E.2.]

Rob Kennedy of UW-Madison Transportation Services appeared to discuss the Memo of Understanding between the UW and Metro, as follows:

- **The UW would buy 60+ new bus shelters with UW features on them such as the "W" crest, and would donate them to the City.**
- **The City would maintain them, and the UW would supply parts.**
- **The City would remove 20-30 of its shelters to use elsewhere.**
- **The UW and the manufacturer would install the new shelters in "gateway" areas to the UW.**

The MOU was short and straightforward, and there had been no disagreements about it. The UW had a dozen shelters ready now to be installed in the current construction season. This seemed to be a win-win situation. For the UW, the new shelters would clearly identify UW boundaries to visitors within the urban setting, and they would help standardize the UW's street furniture.

Responding to questions, Kennedy said that the size and basic design of the new shelters would be the same as current shelters. Not all the shelters being removed were City shelters, but 20-30 would be. Most of the shelters (3/4's) would be strictly replacing current shelters, while the remainder would be new. Kennedy described some of the unique decorative features of the new shelters. White commented that there had been complaints about the tall gap between the floor and side wall of the newer City shelters, which allowed wind and rain to easily pour into/around them. Durocher expressed his concern about this issue as well, based on his personal experience; the 14-inch gap in the newer City shelters compromised their functionality when weather required a shelter. Kennedy said he would he would check into this.

Kamp added that both parties were motivated to come to this understanding, and Metro appreciated the efforts of the UW staff. Faced with the challenges of funding, this was a good example of a partnership that assisted Transit efforts, esp. in the area of additional amenities. He felt the dollars involved were manageable, and Metro was very interested in implementing the MOU.

A motion was made by Poulson, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

[PLEASE NOTE: The meeting proceeded to Agenda Item F.1.]

F.3. 11189

Authorizing the Transit General Manager to file an application for a Section 5307, public transit capital, capital maintenance, and capital planning grant with U.S. Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with USDOT and the associated 13 (c) agreement with Teamsters Local No. 695.

[PLEASE NOTE: This item followed Agenda Item F.1.]

At the suggestion of Durocher, Kamp summarized the four grants identified in Items F.3. through F.6., noting that they all involved 2008 federal grants and funds, some of which were received directly from the federal government and some of which came through the WisDOT. They were used for a variety of

purposes, ranging from capitalizing maintenance costs (important since normally Metro was not eligible for operating assistance) to standard capital grants, which had been less for the State over the past few years because of concern that discretionary funding equaled earmark, and that was a bad thing. Noteworthy was the grant in F.5., which was part of a discretionary fund amount that Congress delegated to the Federal Transit Administration to allocate as they saw fit. The FTA allocated all but $96 million to five large urban communities; and distributed the other $96 million to the remaining 500 transit systems throughout the country. Metro would be receiving $2 million through that process, which would help with bus procurements in the future. Kamp said that the Fixed Guideway Grant pertained to diamond lanes and to other lanes that buses used to improve their speed. After 6-7 years of using such lanes, Metro was eligible to apply directly to the FTA for federal funding for lanes that were already established and were being maintained, but not to create new ones. [PLEASE NOTE: Streit/McCabe moved to adopt the grant resolutions contained in Items F.3. through F.6., and the motion carried unanimously. But this vote is broken out for each of the items, in order to report the action in Legistar.]

A motion was made by Streit, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

F.4. 11190

Authorizing the Transit General Manager to file an application for a Section 5309 formula public transit capital grant with U.S. Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with USDOT and the associated 13 (c) agreement with Teamsters Local No. 695.

A motion was made by Streit, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

F.5. 11192

Authorizing the Transit General Manager to file an application for a public transit capital grant with U.S. Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with USDOT and the associated 13 (c) agreement with Teamsters Local No. 695.

A motion was made by Streit, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

F.6. 11193

Authorizing the Transit General Manager to file an application for a public transit capital grant with Wisconsin Department of Transportation and authorizing the Mayor and the City Clerk to execute the associated grant agreement with WISDOT and the associated 13 (c) agreement with Teamsters Local No. 695.

A motion was made by Streit, seconded by McCabe, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

F.7. 10159

Authorizing the Mayor and City Clerk to execute an agreement with Sam Van Galder, Inc., a member of the Coach USA family, for three years for provision by Van Galder of an annual contribution to Metro Transit to help defray maintenance costs for the Dutch Mill Park & Ride lot, with one three-year option for renewal.

Kamp said that this contract updated one that had expired 5/31/08. Sam Van Galder had brought to Metro's attention that there were other vehicles using the Dutch Mill Park and Ride lot. In discussing the situation, everyone agreed that it was hard to deal with the many other organizations that were using it informally; and decided that those organizations that were advertising scheduled use of it should share in cost of maintaining the lot. Everyone then agreed that there were 79 scheduled departures/week, 70/week of which were Van Galder buses. Based on last year's total costs of $29K, Van Galder's proportionate amount would be $26,500, with the remaining money coming from the other companies involved. There was a possibility that the State DOT would be making improvements to the lot, and should this happen, both parties would have the opportunity review the impact to see if it reopened the agreement or not, at which point the item could be brought back to the TPC.

A motion was made by White, seconded by Hinz, to RECOMMEND TO COUNCIL TO ADOPT - REPORT OF OFFICER. The motion passed by voice vote/other.

G. REPORTS OF OTHER COMMITTEES - for information only (Most recent meeting minutes attached, if available)

07828

ADA Transit Subcommittee
Contracted Service Oversight Subcommittee
Parking Council for People with Disabilities
Long-Range Transportation Planning Commission
State Street Design Project Oversight Committee
Joint Southeast Campus Area Committee
Long-Range Metro Transit Planning Ad Hoc Committee
Ad Hoc Committee to Develop Parking Strategic Plan

No action was needed on these reports. However, Poulson reminded members of the note from staff that the Minutes from CSOS and LRTPC contained discussion about the Long-Range Metro Transit Planning Final Report, which members might like to look at. Kamp distributed a letter from the MPO Transportation Planning Board to the Chair of the LRMTP also containing their comments about the Final Report. He said that discussion about the Final Report from various groups would be compiled for the August meeting, when the Commission would be reviewing and taking action on the Report.

H. ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

H.1. General announcements by Chair -- None.

H.2. Commission member items for future agendas

Per a suggestion at a previous meeting, Poulson hoped that later this year there would be a discussion and review of bus stop amenities and the criteria used to develop and offer them, especially in the wake of the extra bus shelters that would be available from the removal of those on the UW campus.

ADJOURNMENT

A motion was made by McCabe, seconded by Bergamini, to Adjourn at 7:20 PM. The motion passed by voice vote/other.