



Legislation Text

File #: 08323, **Version:** 1

Fiscal Note

The agreements will formalize current practice for cost-sharing among Metro Transit and its service partners, with overall Metro Transit operational expenses continuing at a ratio of approximately 75% of costs borne by Metro Transit and the remainder borne by Metro's service partners. The agreements will also provide for the creation of a reserve fund starting in 2009, supported proportionately with contributions by the service partners, in order to fund unanticipated increases in expenses such as fuel costs. In all, the agreements are intended to provide equitable cost-sharing among those entities that utilize Metro Transit service. Metro's 2008 budgeted City levy contribution will remain unchanged.

Title

Authorizing the Mayor and the City Clerk to execute agreements with the City of Middleton, the Town of Madison, the City of Fitchburg, the Board of Regents of the University of Wisconsin-Madison (for both campus and Kohl Center service), Madison Area Technical College, Madison Metropolitan School District and the City of Verona for provision of transit service benefiting these partner municipalities, institutions and organizations starting January 1, 2008 and continuing until written notice of termination or amendment by either party.

Body

Preamble

In order to formalize its transit partner funding practices and to help both Metro Transit and its funding partners be able to more effectively budget and plan for transit service, a series of meetings took place to agree on how the public subsidy ("local share") computation with a contingency reserve supplement would work. Partners want the flexibility of open-ended contracts terminable upon reasonable notice, supplemented with Memorandums of Understanding (MOUs) to address specific costs, revenues, cost adjustments, hours and routes.

Metro will calculate each funding partner's fully burdened hourly cost of service and allocate a proportionate share of all revenues including state, federal, operating and others to determine each partner's estimated annual net local share.

Each partner will have a contract with Metro, which will automatically renew every year unless terminated by either party, in writing and after adequate notice. Each partner will also have a Memorandum of Understanding with Metro Transit that will define levels of service and estimated costs for that fiscal year. The difference between the estimated local share and actual local cost will be the responsibility of each partner as to its contracted service and will be payable via separate billing or the funding partner's share of the contingency reserve. This will ensure that Metro is paid equitably for transit service provided.

Partners agreed to being charged an extra amount starting in 2009 to build up the contingency reserve for use in situations where there are insufficient funds budgeted to meet actual costs. The contingency reserve goal shall be \$2 million to be built up over a period of four years.

WHEREAS, partnerships with municipalities, institutions and organizations for the provision of transit services have been successful for both Metro and the partners for many years; and

WHEREAS all parties wish to continue the service with some administrative improvements; and

WHEREAS the Contracted Service Oversight Subcommittee and the Transit and Parking Commission have accepted the terms of the public subsidy computation;

NOW, THEREFORE, BE IT RESOLVED that the Mayor and the City Clerk are authorized to execute automatically renewing contracts, and the Metro General Manager is authorized to execute the related Memorandums of Understanding, with the City of Middleton, the Town of Madison, the City of Fitchburg, the University of Wisconsin-Madison, the University of Wisconsin - Kohl Center, Madison Area Technical College, Madison Metropolitan School District and the City of Verona for continuing transit service under the new public subsidy ("local share") computation starting January 1, 2008 (with a contingency reserve supplement starting January 1, 2009) and continuing until the agreement is terminated in writing by either the City or the funding partner. All contract documents, including any MOUs, shall be in a form approved by the City Attorney.