



City of Madison

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

Friday, January 13, 2012

12:00 PM

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

1. CALL TO ORDER / ROLL CALL

Staff: Chuck Kamp, Drew Beck, Wayne Block

Excused: Mick Howen, Susan Schmitz

Guests: Mike Cechvala

Present: 6 -

Ken Golden; Steve Arnold; Bruce K. Sylvester; Mark M. Opitz; Darwin Ward and Margaret Bergamini

Absent: 1 -

Rick Rose

Excused: 6 -

Susan M. Schmitz; Rindert Kiemel, Jr.; Ahnaray Bizjak; Bill Burns; Shawn Stauske and Mick Howen

2. APPROVAL OF MINUTES

Opitz moved approval of the minutes; Arnold seconded. Arnold mentioned a typo on page 3 and clarified on page 6 that there were three amendments "related to transit." 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. [25002](#) Discuss Contract Updates

Attachments: [Updated contract information CSOS.pdf](#)

Kamp wanted to clarify that this meeting was to discuss whether we've captured the guidelines we want to use in putting together updated partner contracts. Then we will vote in March on these guidelines or an amended version. We'd take it to the Transit and Parking Commission (TPC) for final action. Then we would use these guidelines and work with the City Attorney's office and each partner to update respective contracts. The document the group was looking at was something approved in 2008 by this group and the TPC. Then it was thought there was going to be a regional transit authority (RTA) and we felt staff time was better spent on that. Now the RTA is on hold, so we are back to continuing the process of updating contracts. Things in red in the document highlight updates we've made since 2008.

We use the term "partner" rather than "subsidy" for more accurate terminology.

Issue 1: Contracts – We wanted more flexibility if there is a change in service, so we stated explicitly that Metro will work with partners who don't know about changes they want to make until after August 1st. That is about when our budget is due to the mayor. It's more difficult to make changes after August 1st, so this addresses how we would do that for increases. Decreases are another matter because we know other budgets aren't set.

Arnold liked stronger language to give partners more leverage to tell their boards that budget time is not the time to tell Metro about changes for the following year. He'd like to give the message to partners that it's not ok to make service changes in a budget that is going to start in a month. Kamp said some partners had wanted Metro to understand that budgets aren't known until November, and he anticipates the practical issue of some partners not agreeing with that.

It was agreed to use the words "significant service modifications" with the understanding that this won't include minor modifications.

Issue 2: Allocation of Expenses and Revenue – There were no changes to this section.

Issue 3: 5th Quarter Payment – There were no changes to this section.

Issue 4: Contingent Reserve – Kamp said the contingency reserve was decided upon in 2008 and having a reserve of \$2 million was deemed appropriate. That equated to about 15% of each partner's share over at least 4 years. 2011 was the third year of the four years.

The point, once fully funded, is that in the 5th quarter the partner could use the reserve if it owes more than the budgeted payments. The partner would have to pay back the reserve to keep it fully funded. Use explicit language so that it is clear the partner has pay in the amount it used in order to get back to the 15% during the year during which they used money for the 5th quarter payment.

The 15% is a percentage of that year's net deficit. That dollar amount could change as costs change. Golden said it would be helpful for partners to have a line item for contingency every year in the budget. Arnold said Madison will be holding this money. His board will not really be able to distinguish between

operations money and contingency money.

Golden asked if the \$2 million would be invested and if there would be some return on unused money to partners. The University was also interested in seeing if they could get a return on the money. Ward felt Kass would be amenable to the contingency if there would be a return on investment. Kamp said we could check into that between now and the March meeting. Arnold was interested in starting the use of the contingency in year four because of a budget deficiency he was experiencing.

Golden suggested having the contingency reserve more nimble so that partners wouldn't have to pay back a huge one-time overage in the contingency. We want to replenish the reserve in the next budget year but might not always be able to. Block said we'd always be limited to 4% per year, although that isn't explicit in the language. You could add language that no partner would be billed more than 4% per year. Group members seemed to think this was a good idea, and it could be re-opened in the case that 4% could not keep the contingency up to snuff.

Block said there might actually be a two year lag between when the contingency is used and when it is fully re-funded. Golden said it would be easier for partners to always budget 4% and then get a refund at the end of the year if they don't use it. Partners said the complaint would be we're using too much of the taxpayers' money. Arnold said he was comfortable using contingency to make a 5th quarter payment for 2012 service in the spring of 2013 and know he has to budget to pay that back in 2013.

Block brought up a question – if partners use the contingency and then haven't built it back up to 15% yet but need it again the next year, can they use it again? Arnold's suggestion was to let them draw on it if they are budgeting to pay it back. Perhaps the contingency goal should be 20%. Start at 20% and then partners have to stay at 15% after that. Kamp said our original wording was meant to be flexible without micro adjustments every year to contingency. Do partners feel comfortable with staff working on wording? Arnold wanted the \$2 million number to be translated into a percentage. So even if the budget increases (i.e. to a regional system, different modes) that contingency would be a larger contingency but at the same percentage. Golden advised a different format such as a Memorandum of Understanding (MOU) with a signature page. There were differing opinions about whether this would be helpful to get buy-in by boards or just add another layer of complexity.

6. [25003](#)

Ridership

Attachments: [Route Productivity Nov11.pdf](#)
[November 2011 ride revenue.pdf](#)

Due to time constraints, this item was skipped.

7. Reports of Member Communities/Institutions

Bergamini (UW Associated Students of Madison) – Student bus passes

distribution starts on Tuesday. They are continuing discussion about types and levels of service on campus. They are getting ready to do some surveys on campus routes.

Arnold (Fitchburg) – They had a meeting with representatives of Fitchburg, Verona, Metro and Epic this week to talk about potential expansion of service. They were disappointed to know we wouldn't be doing anything until at least a year from now. But there are some opportunities for cooperation when we do that. Also there was a meeting with former Dane County RTA Fitchburg Representative Kim Warkentin. They talked about how to possibly more than double transit service in Fitchburg. They need to build a coalition. Arnold will be working on that. Transportation and Transit Commission met regarding the \$1200 budget cut. They will abandon the opportunity to change service in March and shoot for May. Low performing routes that serve the SuperTarget area. Routes 52 and 59 are the ones under the gun. Likely Route 59 will get reduced service. He is hoping maybe they won't have to make cuts if they delay.

Ward (UW) – The On Board survey starts February 8th for four non-consecutive days. UW will be in touch with Metro about this so they can alert drivers. They are preparing a request for proposals (RFP) for a consultant to look at campus bus service.

Block (Metro) – Metro is currently checking if Verona can amend their state and federal contracts for funding in 2012 to include funding for increase service to Epic.

Opitz (Middleton) – They were not successful in their bid for a TIGGER grant for the second time. Route 78, the weekend route, had a citizen call about linking with Route 2. There is an opportunity with a 2 or 3 minute change. They will talk with Metro planning. Route 71 (other than campus routes) is the third best performing route in the system. They are thrilled at this positive trend to offset the negative trend with Route 74.

Cechvala (MPO) – The RFP for a bus rapid transit (BRT) study should be out by month's end with the consultant hired by May. The update to the long range plan should have a draft out soon. Kamp asked how the Madison's Transportation Master Plan and the BRT study will overlap. Dave Trowbridge said he would like to have findings from the BRT study plugged directly into master plan work. Kamp asked if there is an anticipated date to revisit the transit development plan (TDP). Cechvala didn't have a timeline but has been directed to work on it.

Golden (TPC) – Their meeting this was focused on the transportation perspectives for the Downtown Plan. TPC members had a lot of good input. They are trying to be more visionary about transportation than the plan was. Madison is issuing an RFP relatively soon for a Transportation Plan. Perhaps the Downtown Plan should be amended to include that plan rather than having two separate plans.

Kamp said we'll have December ridership numbers at the next meeting. We'll show that we crossed 14 million rides in December for the first time in 40 years. Metro doesn't have records prior to that.) There are currently 229 vehicles housed in a garage built for 160. Metro would rather have that

problem than be like other systems having to cut service. Golden mentioned things that have built transit in this area over the years such as transit points and pass programs.

The City locked into a fuel contract for 40% of their fuel at a cost lower than what was budgeted. Metro will still buy the rest at float price.

8. ADJOURNMENT

Opitz moved to adjourn; Arnold seconded. The meeting adjourned at 1:27 PM.