

FUNDING / COST MANAGEMENT SUBCOMMITTEE REPORT

The Funding and Cost Management Subcommittees identified a variety of revenue sources that have some potential for addressing existing shortfalls. These include: alternative funding sources, state/federal, property tax, capital, gas tax, wheel tax, grants, naming rights, advertising, special event fees, parking fees, fixed guideways/express lanes, unlimited ride pass programs, developer fees, and other public/private partnerships.

The sources that appear to hold the most promise include:

Regional Transportation Authority

Recommendation: Urge the State Legislature to grant local governments the authority to establish an RTA to help with the governance and funding of metropolitan transit systems. At the same time, existing funds that sustain Metro Transit must be protected so that they aren't reallocated to other transportation modes.

Background: The Committee overall likes the concept of an RTA, but notes that significant discussion still needs to take place to reach a regional consensus on how the RTA can best be structured to meet the growing needs of the region while still protecting the integrity of existing Metro Transit service. The RTA doesn't necessarily have to be countywide nor funded through a half-cent sales tax. In fact, there might be merit in starting small and building on success; starting too big could increase the risk of failure.

Increased State/Federal revenues

Recommendation: Request State to be a stable funding partner by covering approximately one-third of Metro Transit's operating costs.

Background: This percentage is based on the level of support that was formerly provided by the State to all Wisconsin transit systems. In recent years, although it had increased in absolute dollars, the State's share had not kept pace with inflation and had decreased relative to Metro's total operating costs. In 2006, 36% of Metro's revenues came from the State. This means that Metro has had to rely on other revenue sources (particularly property tax revenue) to avoid service cuts and unsustainable fare increases. In the past four years alone, the City of Madison's cost share has increased 35%.

Advertising

Recommendation: One percent of Metro's revenues (approximately \$500,000) should be derived from advertising.

Background: While much has been made of the full bus wraps that exist on 12 buses, advertising dollars could also be generated through advertisements in 15 shelters.

- Sponsorship opportunities for benches and shelters?

Unlimited Ride Pass Programs

Recommendation: Metro should pursue an unlimited ride pass program with small employers and should also capture potential large employers like the State of Wisconsin and Dane County.

Background: Unlimited ride pass programs have been and should continue to be a growing revenue source for Metro Transit.

Paratransit Service

Recommendation: Begin to develop a plan with Dane County to anticipate the changes that will be implemented related to the new State of Wisconsin Family Care model.

Public/Private partnerships

Recommendation: Set an initial goal of 1% of revenues to come from public/private partnerships in the mid-term and reevaluate for a possible higher rate in the long-term.

Background:

- Build on existing programs, including those with the UW, state and local government, Epic. Focus in particular on developing pass programs with businesses, particularly larger employers, throughout the metro area.
- Work with developers to integrate transit service and amenities within growing neighborhoods, particularly in mixed use and medium-to-high density developments on the City's periphery.

MISC RECOMMENDATIONS

- Lift restrictions on parking revenues to be used for TDM projects.
- Other recommendations to be developed at the next subcommittee meeting.

COST MANAGEMENT

Equipment/Cost Effectiveness issues

- bus size – committee still deliberating, see November 6th memo
- bus type
- bus operations
- achieving other efficiencies through the use of technology

Employee issues – items below still in deliberation

- benefits
- overtime
- management costs
- wellness/fitness
- absenteeism

TDM

Recommendation: Develop demand response taxi zone in at least one periphery area of the Metro Transit service area to test whether such service is more cost effective than traditional bus service.

Background: There are several periphery areas (i.e. Cross Plains, Reston Heights, McFarland, etc.) that are indicating preliminary interest in bus service. Other transit systems have successfully tested demand response taxi zones in low density areas.