MINUTES OF THE SIXTH MEETING

SOUTHEASTERN REGIONAL TRANSIT AUTHORITY

DATE: May 17, 2010
TIME: 8:00 a.m.
PLACE: General Mitchell International Airport
       Mitchell Gallery of Flight Museum – Sijan Room
       Upper Concourse Level
       Milwaukee, Wisconsin

Board Members Present
John Antaramian .......................................................................................... City of Kenosha Representative
Earl Buford .............................................................................................. City of Milwaukee Representative
Jon Henderson ................................................................................................. Racine County Representative
Lee Holloway ............................................................... Chairman, Milwaukee County Board of Supervisors
and Milwaukee County Representative
Joseph “Jody” Karls ........................................................................................ City of Racine Representative
Chris Layden ............................................................................................ City of Milwaukee Representative
Michael Mayo, Sr. ....................................................................... Milwaukee County Supervisor, 7th District
and Milwaukee County Representative
Karl Ostby .................................................................................................... Kenosha County Representative
Julia Taylor .......................................................................................................... Governor’s Representative

Staff Members
Kenneth R. Yunker ......................................................................................... Executive Director, SEWRPC
Christopher Hiebert ....................................................................... Chief Transportation Engineer, SEWRPC
Eric Lynde .......................................................................................................... Planner/Engineer, SEWRPC

Guests
Kelly Bablitch ........................................... Deputy Director, Intergovernmental Relations, Milwaukee County Board
Peter Barca (by phone) ........................................ Wisconsin State Representative, 64th Assembly District
Teri Barwick ............................................................. Midwest Car Corporation
Amy Boyer .......................................................................................................... Hamilton Consulting Group
Len Brandrup .................................................................................................. Consultant
Roy De La Rosa ........................................... Director, Intergovernmental Relations, Milwaukee County Board
Mona Fitzgerald ........................................................................................... Broydrick & Associates, Hertz Corp.
Richard Freiberg ........................................... Director of Business Development, Wisconsin Center District
Lloyd Grant, Jr. .......... Vice President & Deputy Managing Director, Milwaukee County Transit System
Anita Gulotta-Connelly .......... Managing Director, Milwaukee County Transit System
Chris Kliesmet .......................................................................................... Issue Coordinator, Citizens for Responsible Government Network
Harold Mester ........................................... Public Information Manager, Milwaukee County Board of Supervisors
H. Carl Mueller .................................................................................. President, Mueller Communications, Inc.
Phil Nero ........................................................................................................ Citizen
Paula C. Pienton ................................................................................ Vice President, HDR Engineering, Inc.
ROLL CALL

Chairman Ostby called the meeting to order at 8:20 a.m.

APPROVAL OF AGENDA

Mr. Ostby stated that he had requested Wisconsin State Representative Peter Barca address the Board regarding recent efforts to pass regional transit authority legislation to provide local dedicated funding for existing bus transit systems, and suggested the agenda be modified to allow Representative Barca to speak. There being no objection, a briefing by Representative Barca was added as item 4a to the agenda, just prior to the communications consultant and government relations consultant report.

REVIEW AND APPROVAL OF MINUTES OF THE MARCH 15, 2010, MEETING

A motion to approve the minutes of the March 15th meeting as presented was made by Mr. Buford, seconded by Ms. Taylor, and carried unanimously by the Board.

REVIEW AND DISCUSSION OF WRITTEN COMMENTS

Chairman Ostby directed the Board to Exhibit A, which included the recent comments that had been received through the Southeastern Regional Transit Authority (SERTA) website and via mail and email (see Attachment 1 to these minutes). A motion to receive and file the comments was made by Mr. Karls, seconded by Mr. Buford, and carried unanimously by the Board.

DISCUSSION OF STATUS OF REGIONAL TRANSIT AUTHORITY LEGISLATION

Chairman Ostby asked Mr. Walsh to report on the status of recent efforts to pass regional transit authority legislation to provide local dedicated funding for the existing bus systems in southeastern Wisconsin. Mr. Walsh stated that the most recent legislative period had ended on April 23rd without the State Assembly or Senate voting on the proposed transit legislation. In response to a question by Mr. Mueller regarding how the voting may have turned out had it occurred, Mr. Walsh indicated that he was unsure how the Senate would have voted and that the Assembly vote would have been very close, but that overall there likely would not have been enough votes to pass the proposed legislation. He thanked all the SERTA Board
members, Milwaukee County lobbyists, and other members of the broad-based coalition of supporters for the proposed legislation, who had advocated for the legislation during the recent legislative session. He suggested that a better opportunity to pass the transit legislation would be during the preparation of the 2011-2013 Wisconsin State budget.

Representative Barca joined via telephone. Chairman Ostby thanked Representative Barca for his efforts to try to pass the proposed transit legislation, and asked what he anticipated the next steps would be for passing transit legislation. Representative Barca encouraged the broad-based coalition of supporters to continue to try to pass transit legislation, indicating that the next opportunity would likely occur during the preparation of the 2011-2013 Wisconsin State budget in 2011, and that it was unlikely a special legislative session to consider the transit legislation would be called before then. He noted that it is difficult to pass this type of legislation during an election year, and that it often takes several legislative sessions to pass this type of legislation. He suggested that waiting to submit a “New Starts” application to enter preliminary engineering for the KRM commuter rail project until transit legislation is passed may delay the project by another year, and that he did not see a downside to submitting the “New Starts” application to the Federal Transit Administration (FTA) at this time.

Milwaukee County Board Chairman Holloway stated that it was not a lack of effort that caused the proposed transit legislation not to pass, and asked Representative Barca if the individual elected as the next Wisconsin Governor was likely to play a significant role in whether transit legislation would be passed in 2011. Representative Barca indicated that certain gubernatorial candidates have demonstrated more support of transit legislation than others, but that a candidate may change his/her views when he/she gets into office, and that regardless of the individual who was elected the next Governor, efforts to pass transit legislation would continue. Ms. Taylor indicated that the issue has not changed, and that supporters of the transit legislation have learned much about where the support is and what needs to be done moving forward. She noted that it has taken time to pass similar legislation in other regions of the country, and that supporters must continue to promote awareness of the need for dedicated local funding for transit, especially during the upcoming elections.

Mr. Mueller indicated that given the financial problems facing the existing bus systems, the SERTA Board should assess what actions it should take to aid in passing the transit legislation. He noted that the broad-based coalition supporting the legislation had built momentum, and that the supporters should not be silent during the upcoming elections. He suggested that the SERTA Board should submit the “New Starts” application to enter into preliminary engineering for the KRM commuter rail project while efforts to pass transit legislation continued.

Mr. Antaramian stated that many businesses in southeastern Wisconsin have indicated they will not expand until the financial issues facing the existing bus transit systems are addressed. He suggested that the broad-based coalition of supporters should build additional support to pass transit legislation, including targeting areas that would be significantly affected by potential bus service cuts.

PRESENTATION BY MILWAUKEE COUNTY TRANSIT SYSTEM
MANAGING DIRECTOR ANITA GULOTTA-CONNELLY –
“MILWAUKEE COUNTY TRANSIT SYSTEM: A SYSTEM AT THE CROSSROADS”

Chairman Ostby asked Ms. Gulotta-Connelly to present on the current financial problems facing the Milwaukee County Transit System (MCTS). Ms. Gulotta-Connelly distributed and presented a PowerPoint presentation entitled “Milwaukee County Transit System: A System at the Crossroads” (see Attachment 2 to these minutes). Ms. Gulotta-Connelly described a number of measures that had been taken in recent years to address MCTS budget challenges, including modifications to MCTS employee healthcare and pension benefits. She provided a preliminary estimate of a $10.2 million gap in the 2011
MCTS budget, which MCTS was facing despite the measures taken in recent years and an estimated $6.1 million in offsets which she anticipated in 2011. Ms. Gulotta-Connelly projected that a $10.2 million budget gap would be equivalent to a service cut of about 14%, or 188,000 hours of service per year. She estimated that no major capital investments would be needed during 2011, primarily due to the receipt of Federal funds from the American Recovery and Reinvestment Act (ARRA), which allowed a number of needed capital projects to be funded recently. However, she noted that a $43.7 million reserve of Federal capital funds had been spent down to $1.2 million over the last nine years, and that further budget challenges would be faced in 2012 as an additional 30-40 buses – with an estimated total cost of $14 million – will need to be purchased.

Milwaukee County Board Chairman Holloway suggested that the actual 2011 MCTS budget gap could be even larger because MCTS may not be able to count on additional County revenue in 2011 recently pledged to MCTS by Milwaukee County Executive Scott Walker, which Ms. Gulotta-Connelly included as an offset to the funding gap. He distributed communication he had sent to Milwaukee County Executive Walker that discussed these additional funds to MCTS (see Attachment 3 to these minutes). He stated that it was premature for Milwaukee County Executive Walker to pledge funds to MCTS, especially given that Milwaukee County Executive Walker had also pledged to cut the overall property tax levy in his recommended 2011 Milwaukee County budget. He noted that providing adequate funding for MCTS was a high priority in the upcoming budget, but that a number of other County-administered programs would also face financial issues in the budget.

Ms. Gulotta-Connelly indicated that as service cuts have been made, additional paratransit service, which has a higher average cost per passenger, has been needed in some areas. Mr. Antaramian asked whether a cost-benefit analysis had been conducted to determine the cost savings of the service cuts, given the corresponding cost increases to provide additional paratransit service. Ms. Gulotta-Connelly stated that these costs and benefits had not been specifically studied.

“NEW STARTS” APPLICATION TO THE FEDERAL TRANSIT ADMINISTRATION FOR KENOSHA-RACINE-MILWAUKEE COMMUTER RAIL

Chairman Ostby asked Mr. Yunker to report to the Board on discussions with the FTA regarding the “New Starts” application to enter preliminary engineering for the KRM commuter rail project. Mr. Yunker told the Board that Commission staff had met with Brian Jackson, Stewart McKenzie, Stephen Polito, and Lisa Joiner from the FTA. Also attending this meeting were Al Stanek from the Wisconsin Department of Transportation (WisDOT), SERTA Chairman Karl Ostby, Milwaukee County Board Supervisor John Weishan, Jr., and Kelly Bablitch from the Milwaukee County Board’s Division of Intergovernmental Relations. He stated that at the meeting FTA staff indicated a change in position on how submitting a “New Starts” application requesting entry into preliminary engineering would be viewed given that the funding problems of the existing bus systems have not yet been addressed. He noted that a financial plan is one consideration in FTA’s evaluation of a “New Starts” application, and that the FTA may consider funding for KRM commuter rail as well as for the existing bus systems when evaluating the financial plan. He stated, however, that in an apparent change from the FTA’s position when the current KRM studies were initiated in 2008, FTA staff at the meeting indicated that the KRM commuter rail project would not necessarily be denied entry into preliminary engineering even though the funding problems for the bus systems remain. Mr. Yunker noted that this change in position comes at a time when the current national administration is making significantly more Federal funding available for
transit projects than in past years. He indicated, however, that FTA staff indicated at the meeting that if the FTA were to approve the KRM commuter rail project for entry into preliminary engineering, the FTA would likely identify the funding problems of the existing bus systems as a concern that would need to be addressed if the project is to move beyond preliminary engineering. He also noted that FTA considers a number of criteria when evaluating a “New Starts” application, most of which are biased towards larger metropolitan areas, but that there have been projects with similar characteristics to those of KRM commuter rail which FTA has approved to move forward in the “New Starts” process.

Chairman Ostby indicated that he believed the FTA could approve the project’s entry into preliminary engineering if the SERTA Board submitted a “New Starts” application at this time, but that the likelihood of receiving an FTA grant for the capital costs associated with implementing KRM commuter rail was low without addressing bus funding problems. He also indicated that the Board could submit the “New Starts” application at this time without enacting a vehicle rental fee. Mr. Yunker stated that FTA staff has indicated the enactment of a vehicle rental fee is a local decision to be made by the SERTA Board, and that it may be possible to postpone enactment of a vehicle rental fee until the FTA has approved the project to enter into preliminary engineering.

Chairman Ostby asked Mr. Yunker to provide an update on the status of the “New Starts” application for the KRM commuter rail project. Mr. Yunker stated that a draft “New Starts” application had been prepared and distributed to the SERTA Board along with an executive summary of the application in the form of a PowerPoint presentation (see Attachment 4 to these minutes). He noted that minor revisions with respect to project schedule and financial plan would need to be made to the application prior to submitting to the FTA. He stated that the application would include the assumption that a partial vehicle rental fee could be enacted by SERTA upon FTA approval to enter preliminary engineering.

Chairman Ostby asked Mr. Yunker to discuss the requirement that SERTA must submit the “New Starts” application by the end of June, 2010. Mr. Yunker distributed the language of a nonstatutory provision to the 2009 regional transit authority legislation, which indicated that SERTA was required to submit the application by June 29, 2010 (see Attachment 5 to these minutes). He noted that WisDOT staff had indicated that there was no sanction that would be imposed if the application were not submitted by the specified deadline.

Ms. Taylor suggested that the Board should submit the “New Starts” application soon to avoid delaying the project, and to put pressure on the State Legislature to pass the transit legislation. Milwaukee County Board Chairman Holloway stated that he would not support submitting the application at this time because doing so would demonstrate that the Board is willing to move forward with a new rail transit line while the existing bus transit systems are still in a funding crisis.

Mr. Antaramian asked Milwaukee County Board Chairman Holloway if he thought that submitting a “New Starts” application at this time would reduce the chance that the Governor and State Legislature would pass dedicated funding for transit systems. Milwaukee County Board Chairman Holloway stated that he believed it would, as the coalition urging passage of dedicated bus funding may lose some supporters. Mr. Antaramian indicated that passing legislation to allow dedicated funding in Milwaukee County would require support from other parts of southeastern Wisconsin, and voting against moving the KRM project forward may lessen that support. Milwaukee County Board Chairman Holloway indicated that submitting a “New Starts” application at this time would be premature, and that the Board should wait until the State Legislature passes the transit legislation before moving the KRM project forward. Mr. Antaramian disagreed and suggested that the Board should show the State Legislature that it is willing to take responsibility for moving the KRM project forward by submitting a “New Starts” application at this time. Mr. Layden and Ms. Taylor agreed. Chairman Ostby indicated that submitting the application would
complement rather than detract from efforts to pass the transit legislation, and noted that the Board could submit the application without enacting a vehicle rental fee at this time.

Chairman Ostby stated that SERTA had made significant efforts to attempt to pass the transit legislation, and asked what the cost to conduct the KRM commuter rail technical studies and prepare the draft “New Starts” application had been. Mr. Yunker stated that the total cost had been about $3 to $4 million over the past 3 to 4 years, with a significant portion expended to prepare a draft environmental impact statement. Milwaukee County Board Chairman Holloway asked what SERTA would need to expend to submit a final “New Starts” application to the FTA. Mr. Yunker responded that it would likely require about an additional $100,000, which would include minor revisions to the project schedule and financial plan prior to submittal, as well as any revisions that may result from FTA’s review of the application. He noted that FTA staff had indicated the period of review would likely be between 30 and 120 days. In response to a question from Mr. Layden regarding Federal funding for preliminary engineering, Mr. Yunker stated that SERTA would have access to an FTA grant, of which about $6.1 million remains, which could be used as the Federal share of preliminary engineering upon FTA approval to enter preliminary engineering. He noted that the FTA grant would fund 80 percent of the cost of preliminary engineering, with a 20 percent non-Federal match needed.

A motion to submit a “New Starts” application to enter preliminary engineering for the KRM commuter rail project was made by Ms. Taylor, seconded by Mr. Karls, and carried on a vote of 7 ayes and 2 nays, with Milwaukee County Board Chairman Holloway and Milwaukee County Supervisor Mayo, Sr. voting nay.

[Secretary’s Note: A minority report for the dissenting votes on the motion is provided in Attachment 6 to these minutes. In the minority report, Milwaukee County Board Chairman Holloway and Milwaukee County Supervisor Mayo, Sr. offer as an alternative recommendation, the postponement of submittal of a “New Starts” application until local dedicated funding has been provided to address the funding problems facing MCTS.]

Mr. Yunker indicated that Commission staff would work with the KRM project consultant staff to revise the application and would distribute the revised draft application to the Board for review and approval prior to submittal to the FTA. He stated that as part of the application, the project’s financial plan, which must demonstrate that local funding is adequate to cover the local share of project capital and annual operating and maintenance costs over the next 20 years, would need to include a schedule for enactment of a vehicle rental fee. He estimated that approximately a $10 vehicle rental fee would need to be assumed to be enacted upon FTA approval to enter into preliminary engineering, along with the full $18 vehicle rental fee indexed to inflation enacted upon submittal of an application to the FTA to enter final engineering and design. He noted that the financial plan would continue to include conservative assumptions regarding funding, costs, growth, and inflation, and would demonstrate that funding is likely to be adequate under several scenarios that test the plan under more pessimistic assumptions.

**REVIEW AND DISCUSSION OF FINANCIAL REPORT**

Mr. Yunker drew the Board’s attention to Exhibit B, prepared by Commission staff to report the invoices received and payments made under the current budget items approved by the Board (see Attachment 7 to these minutes). Mr. Yunker noted that Commission staff had provided each Board member with a revised Exhibit B, which showed that there was one outstanding invoice from the Commission for about $7,000. He indicated that the invoice was for costs associated with public meetings held for the project’s draft environmental impact statement, primarily including study mailings, advertisements, court reporters, and room rental fees. He noted that the Board had previously approved the expenditure of these funds, and
suggested that Commission staff could attempt to fund 80 percent of the costs from the approximately $6.1 million remaining in an FTA grant to be used for planning and engineering for the KRM project.

Milwaukee County Board Chairman Holloway made a motion that Commission staff attempt to fund 80 percent of the about $7,000 in the outstanding invoice in Exhibit B from the approximately $6.1 million remaining in an FTA grant for the KRM project, with SERTA funding the remaining 20 percent of the invoiced amount. Mr. Karls seconded the motion, and it was approved unanimously by the Board.

Mr. Layden asked if evidence had been provided in support of the additional $500 invoiced by the direct mail consultant, which was above the approved budget amount for a direct mail consultant. Milwaukee County Supervisor Mayo, Sr. indicated that he had not yet received any such evidence, and suggested that any future invoice to be paid by SERTA that requests payment in addition to the amount approved by the Board, should be presented to the Board for approval prior to sending payment.

[Secretary’s Note: On May 18th, the communications consultant provided the SERTA Board with justification for the additional $500 invoiced by the direct mail consultant (see Attachment 8 to these minutes).]

Milwaukee County Supervisor Mayo, Sr. made a motion to approve the financial report and expenditures in Exhibit B, with the exception that more evidence must be provided in support of the additional $500 invoiced by the direct mail consultant. Mr. Antaramian seconded the motion, and it was approved unanimously by the Board.

CONSIDERATION OF PROPOSAL FOR PAYMENT TO SOUTHEASTERN WISCONSIN REGIONAL PLANNING COMMISSION FOR WORK DONE AS TEMPORARY STAFF TO SERTA

Chairman Ostby directed the Board to Exhibit C, which presented a proposal for payment to the Southeastern Wisconsin Regional Planning Commission for work done as temporary staff to SERTA (see Attachment 9 to these minutes). Mr. Yunker noted that Commission staff had been asked by the Board to prepare the proposal for payment, and that the proposal included staff costs of $26,243 for work done as temporary staff to SERTA between January and April of 2010. He also stated that Commission staff had included in the proposal, $15,299 for staff costs related to work as project manager for the KRM commuter rail project Alternatives Analysis and “New Starts” application. He noted that 80 percent of the $15,299 could potentially be funded from the approximately $6.1 million remaining in an FTA grant for the KRM project, with SERTA providing the remaining 20 percent. In response to a question by Mr. Layden regarding the hourly rate for costs in the proposal, Mr. Yunker indicated that the hourly rates were based on actual staff salaries with staff costs including fringe benefits and indirect costs. Mr. Yunker indicated that it would likely cost about $5,000 per month for Commission staff to continue to act as temporary staff for SERTA.

Milwaukee County Supervisor Mayo, Sr., made a motion to approve the proposal that SERTA pay the Commission $26,243 for work done as temporary staff to SERTA between January and April of 2010, plus 20 percent of $15,299 for staff costs related to work as project manager for the KRM commuter rail project Alternatives Analysis and “New Starts” application, with Commission staff attempting to fund the remaining 80 percent of the $15,299 in the proposal from the approximately $6.1 million remaining in an FTA grant for the KRM project. The motion was seconded by Mr. Karls, and carried unanimously by the Board.
CORRESPONDENCE AND ANNOUNCEMENTS

Chairman Ostby directed the Board to Exhibit D, which presented a letter sent to SERTA from Milwaukee County Clerk Joseph J. Czarnecki requesting that SERTA register as a lobbying principal if SERTA would be contracting with a lobbyist to influence actions related to Milwaukee County government (see Attachment 10 to these minutes). Mr. Yunker asked if SERTA should respond to Mr. Czarnecki given that SERTA was no longer contracted with a lobbyist. Milwaukee County Supervisor Mayo, Sr. suggested that a response be sent stating that SERTA does not have a contract with a lobbyist. Mr. Yunker agreed to have Commission staff send this response to Mr. Czarnecki.

ADJOURNMENT

Chairman Ostby stated that the next scheduled meeting was at 8:00 a.m. on Monday, June 21, 2010, in the Sijan Room of the Mitchell Museum of Flight. Mr. Yunker stated that the draft “New Starts” application to enter into preliminary engineering for the KRM commuter rail project would be revised in the next few weeks, distributed to the Board, and submitted to the FTA prior to the next SERTA meeting. Milwaukee County Supervisor Mayo, Sr., requested that Commission staff note revisions to the application when distributing to the Board.

In response to a question by Chairman Ostby regarding a potential communications consultant contract, Ms. Taylor stated that the Board should continue to spread a message of support for dedicated local funding for the bus systems in southeastern Wisconsin, and that she would support a contract to support this effort. Mr. Karls agreed, indicating that it was encouraging that representatives from Kenosha, Racine, and Milwaukee Counties had worked together to attempt to achieve dedicated bus funding, and that there is a need to continue to build on that regional cooperation. Mr. Antaramian suggested that the three Board members of the previously formed lobbying subcommittee meet and develop a recommended communications strategy that SERTA should take moving forward.

There being no further business to come before the Board, the meeting was adjourned at 10:10 a.m. on a motion by Mr. Karls, seconded by Ms. Taylor, and carried unanimously by the Board.

Respectfully submitted,

Kenneth R. Yunker
Recording Secretary
WRITTEN COMMENTS RECEIVED SINCE MARCH 15, 2010, MEETING

-------------------------------------------
Submitted: 4/3/2010 11:06:40 AM
Name: Margaret Heller
E-mail: mheller007@wi.rr.com
Organization:
PO Box/Street: 217 69th Street
City: Kenosha
State: WI
Zip: 53143
Phone:
Comments: I read the commentary in the Kenosha News this morning. (4/2/10) I have been heavily leaning towards the KRM but needed more info to give a solid "Yea" Antaramian's argument was excellent and Goodson's argument convinced me. I thought that Paddock Lake would want to keep it's charm and low density to keep property values up. I can't imagine wanting a cottage on a lake so I can commute to the city!

-------------------------------------------
Name: Craig Miller
E-mail: cragmiller@juno.com
Organization:
PO Box/Street: 3141 E. Koenig Ave.
City: St. Francis
State: WI
Zip: 53235
Phone:
Comments: I am totally against KMR because it's a waste of money that could be better spent on completing projects like the Zoo interchange and other roads in Wisconsin. Or another alternative I would approve of would be to upgrade AMTRAC into a REAL highspeed train between Milwaukee and Chicago that would also make stops in Racine and Kenosha. The same would be true of that "not so high speed train" from here to Madison. Both would used by few people in any of the connecting cities MUCH MORE HEAVILY SUBSIDIZED than roads which will never be replaced as the primary mode of transportation.
Milwaukee County Transit System

A System at the Crossroads
May 2010

Presented by: Anita Gulotta-Connelly
Managing Director

MCTS Operating Budget
Revenue Sources

- Passenger Fares and Other Revenues: 35.6%
- State: 40.1%
- Milwaukee County: 11.0%
- Federal: 13.3%
MCTS Capital Projects
Revenue Sources

Federal 80%
Milwaukee County 20%

2010 Operating Budget
$ Revenue Sources

- Federal $23.0 million
- State $69.5 million
- Passenger Fares and Other Revenue $61.6 million
- Milwaukee County $19.1 million

Total $173.2 million

Annual Capital Requirements - $16-20 million
- Federal $16 million
- Local $4 million

$39 million
## Federal Transit Operating and Capital Assistance

<table>
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<tr>
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<tr>
<td>Formula Funds</td>
<td>$17.4 million</td>
<td>$17.9 million</td>
</tr>
<tr>
<td>Earmarks</td>
<td>$11.0 million</td>
<td>$1.9 million</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$28.4 million</strong></td>
<td><strong>$19.8 million</strong></td>
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## Federal Capital Reserve

- **January 2001**: $43.7 million
- **January 2005**: $21.1 million
- **January 2010**: $1.2 million
Meeting Past Budget Challenges

• Healthcare and Pension
  • Eliminated retiree healthcare for all employees hired after 4/1/07.
  • Initiated employee premium contributions for healthcare coverage.
  • Required that even previously retired individuals must contribute to healthcare costs. Retirees can pay as much as $695 per month for out of area coverage.
  • Instituted a smaller network HMO plan with significant deductibles. Saves several thousand dollars per year per participant.
  • Pension: No drop back provisions. Plan is near fully funded. Have maintained pension benefits within resources of the fund to pay for those benefits.
  • Employees contribute 15% of the actuarially determined costs of the pension plan.

• Other Actions
  • Use fuel futures to stabilize fuel costs to within budget
  • Non-operating staff reductions
  • Wage freezes
  • Furlough time off
  • Outsourcing vs. internal work
  • Competitive bidding
  • New approaches
  • Overall cost control
State Audit Conclusions

- Lowest cost per passenger
- Lowest percent of administrative cost
- Highest ridership per capita

2011 Budget Gap

2010 Costs
+ Increases in Costs Related to Existing Employees and Retirees
  + Increases in Costs for Utilities, Fuel, etc.
+ Estimated Reductions in Federal and State Aids, and Other Revenues
  = 2011 Budget Gap
2011 Budget Gap

- Assumes no reduction in current service levels
- Assumes no change in staff
- Assumes no Furlough Days in 2011
- Assumes no new services

2011 Budget

- The Good News....... ARRA
  - Transit Capital
    - Low cost financing for local government

Through the combination of ARRA funds and Milwaukee County Investment, 125 new buses, new fareboxes, a bus stop annunciator system, new roof on the Administration building and new HVAC systems for several MCTS facilities will be purchased in 2010/2011. Local bonding for these projects was done in 2010.

- Total Investment: $58.4 million
- Federal (including ARRA funds) $41.2 million
- Milwaukee County $17.2 million

*No other major capital investments are needed for 2011

*Therefore – lack of Federal capital dollars is not an issue for 2011
## 2011 Budget Gap

### The Challenges:

<table>
<thead>
<tr>
<th>Adjustment (in millions)</th>
<th>Preliminary Estimates</th>
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<tbody>
<tr>
<td>2010 Revenue projected to be significantly below budget</td>
<td>$4.2</td>
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<tr>
<td>One time adjustment in Medicare Part D revenue in 2010</td>
<td>$1.7</td>
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<tr>
<td>Reduction in JARC funding</td>
<td>$.7</td>
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<tr>
<td>Employee/Retiree medical expense</td>
<td>$3.5</td>
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<tr>
<td>Fuel</td>
<td>$1.8</td>
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<tr>
<td>Expense of Transit Plus ridership increases</td>
<td>$2.1</td>
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<tr>
<td>Potential loss of Title XIX funding for Paratransit rides</td>
<td>$1.8</td>
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<tr>
<td>Increase in bond interest</td>
<td>$.5</td>
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</tbody>
</table>

Total Increase / Cost to continue: $16.3

### Known Off-Sets

<table>
<thead>
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<th>Adjustment (in millions)</th>
<th>Preliminary Estimates</th>
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<tr>
<td>Restored Milwaukee County Investment</td>
<td>$2.1</td>
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<tr>
<td>Increase in State Revenue</td>
<td>$1.7</td>
</tr>
<tr>
<td>Non-Operator Employee Reductions made by MCTS</td>
<td>$1.0</td>
</tr>
<tr>
<td>Pension Contribution Reduction</td>
<td>$.6</td>
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<tr>
<td>Increase in employee/Retiree healthcare Contributions; healthcare plan modifications</td>
<td>$.7</td>
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</table>

Total Known Off-Sets: $6.1

Budget Gap: $10.2
Possible Resolutions

- Additional internal savings
- Additional county investment
- Changes in Paratransit funding
- Changes in Paratransit service area
- Service cuts
- Fare increases
- Other

Budget Process has just begun.....

- May or may not be able to meet 2011 challenges without impacting service.

- $10.2 million equals a 14% service cut or 188,000 hours of service per year.

- For 2012, will have similar challenges and will need to purchase additional buses. 30-40 buses with no reserve of Federal dollars – Approximately $14 million.

Whether the crisis occurs in 2011 or beyond.....

A long term funding solution is required to maintain transit services in Milwaukee.
DATE : May 13, 2010

TO : Milwaukee County Executive Scott Walker

FROM : Milwaukee County Board Chairman Lee Holloway

SUBJECT : Mass transit funding and improvements

This letter is in response to your comments published in the May 9, 2010, Milwaukee Journal Sentinel story, “Walker plans to direct more tax dollars to Milwaukee County bus system.”

Milwaukee County departments have not yet submitted to you their requested operating budget proposals. Yet, via the press, you already have announced your intentions to put an additional $3 million in local tax levy into the Milwaukee County Transit System (MCTS) next year. This latest pledge comes on top of your prior pledge to deliver a 2011 Recommended County budget that cuts the property tax levy.

The citizens and businesses that depend on Milwaukee County to deliver services should take your ability to deliver on this recent transit announcement with a grain of salt. If you are simultaneously committed in 2011 to reducing the tax levy and putting more resources into the bus system, other County-administered programs and services probably will take the hit. In light of the troubles facing your administration of the Milwaukee County Behavioral Health Department, prioritizing human services programs likely will be an identified priority for scarce resources. Therefore, your broadcasting of these future transit plans appears to be premature at best, and at worst little more than well-timed political theater.

In the near future, neither you nor I currently plan to hold our respective leadership offices in Milwaukee County. You seem okay merely putting forth a short-term fix to benefit your political pursuit. In comparison, a supermajority of the County Board of Supervisors has the courage to advocate for a long-term solution to save the bus system for the benefit of Milwaukee County businesses and residents. The Governor and the State Legislature must give Milwaukee County the authority to enact a dedicated sales tax to fund mass transit, so we can remove the bus system from the property tax once and for all. Your repeated objections to a dedicated transit sales tax have hindered any progress on transportation. That hurts our entire region.

The news article also hinted at a shift in your thinking about how Milwaukee County should use the recently released $36.6 million in federal transit aid. If you plan to use these federal dollars to keep the operating system intact, and for purposes other than Bus Rapid Transit, a thorough status update to the County Board is necessary. We need that information.

Sincerely,

Lee Holloway
Chairman, Milwaukee County Board of Supervisors

cc: Milwaukee County Board of Supervisors
Southeastern Regional Transit Authority, members
Anita Gulotta-Connelly, Managing Director, Milwaukee County Transit System
KRM Commuter Rail Studies

Elements of Study and New Starts Application

- Transit Alternatives Analysis
  - Completed in 2007 and updated in 2009
- Draft Environmental Impact Statement
  - Completed in 2009
- “New Starts” Application to Federal Transit Administration (Project Evaluation)
  - Application submitted and withdrawn in 2007 and updated in 2009

April 2010
**KRM Commuter Rail Studies (continued)**

**Responsible Authorities**

- **2009 Application**
  - Southeastern Regional Transit Authority (SERTA)
  - Intergovernmental Partnership
    - Technical Steering Committee

- **2007 Application**
  - “Temporary” and “Limited Authority” Southeastern Wisconsin Regional Transit Authority (2005-2007 State budget)
  - Intergovernmental Partnership
    - Technical Steering Committee

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**Federal Discretionary (New Starts) Grant Application**

**Sections of New Starts Application**

- **1.0 Project Background**
- **2.0 Certification of Technical Methods**
- **3.0 Travel Forecasts**
- **4.0 Operating and Maintenance Costs**
- **5.0 Capital Costs**
- **6.0 Project Justification Measures**
- **7.0 Land Use and Economic Development**
- **8.0 Local Financial Commitment**
- **9.0 Project Management Plan**
- **10.0 Before and After Study Plan**
- **11.0 KRM Support**
1.0 Project Background

- **KRM commuter rail alternative description**
  - 33-mile commuter rail line on existing UP/CPR freight lines, connecting Milwaukee and Racine to existing Chicago-Kenosha commuter rail

- **Baseline alternative description**
  - Expanded commuter bus service in KRM Corridor

- **Status and history of project development**
  - AA/DEIS completed in 2009
  - SERTA to submit New Starts application to FTA

- **“Making the Case” for KRM commuter rail**
  - Goals to be addressed
  - Benefits and comparison to baseline alternative
  - Potential uncertainties in cost estimates and ridership forecasts

2.0 Certification of Technical Methods

- Provides certification that technical approaches and assumptions used in application adhere to FTA guidelines
  - Planning horizon is 2035, based on SEWPRC long-range regional transportation plan

- Includes blank templates to be completed in **7.0 Land Use and Economic Development** and **8.0 Local Financial Commitment** sections
3.0 Travel Forecasts

- Describes methodology for forecasting ridership and estimated user benefits
  - Developed in coordination with FTA staff and in accordance with FTA requirements
- Forecast ridership – about 8,300 daily project trips
- Annual user benefits - about 1 million hours
  - County proportions - 57% in Milwaukee, 25% in Racine, and 17% in Kenosha

4.0 Operating and Maintenance Costs

- Discusses approach and assumptions for estimating commuter rail and bus operating and maintenance (O&M) costs
  - Methodology paper sent to FTA in December 2009
- MCTS and Wisconsin Coach Lines
  - Four O&M cost drivers used, including vehicle-hours, vehicle-miles, number of buses, and number of maintenance garages
- Commuter rail
  - Used actual O&M costs from Northstar Commuter Rail in Minneapolis along with O&M cost data from other peer commuter rail systems across the U.S.
  - Annual O&M costs - $12.5 million (2009 dollars – does not include commuter rail-related bus costs)
5.0 Capital Costs

• Describes assumptions used to estimate capital costs from various sources of unit cost data
• Follows Standard Cost Categories (SCC) workbook developed by FTA
  • Total capital cost estimate broken down by individual cost categories
    • A 12.5% contingency is allocated to each category, plus additional 5% contingency added to total cost
    • Annual cost inflation rate – 3.64%
• Capital cost estimate for KRM commuter rail
  • $233.1 million (2009 dollars)
  • $283.5 million (year-of-expenditure dollars)

6.0 Project Justification Measures

• Provides project justification measures
  • Mobility improvements
    • Annual new transit trips – about 1.7 million
    • Annual hours of user benefits – about 1 million
    • User benefits per passenger-mile – 2.8 minutes
  • Cost effectiveness
    • Cost per hour of user benefits - $27.80
    • Cost per new transit trip - $16.59
  • Operating efficiencies
    • O&M cost per passenger-mile - $0.70
  • Environmental benefits
    • Nonattainment area for 2006 PM 2.5 (particulate matter) and 8-hour ozone standards
  • Other factors
    • Additional potential benefits not quantified in rest of application are described
7.0 Land Use and Economic Development

- Discusses existing land use, transit-supportive plans and policies, and performance and impacts of these policies
- Transit-oriented development (TOD) land use plans for KRM station areas
  - Each TOD plan identifies the planned development and redevelopment within a ½-mile radius of a proposed station
- Job access and economic development
  - Nearly 1 million jobs within 1 mile of KRM and Metra UP North lines
  - Access to Milwaukee and Chicago airports
  - Access to cultural and educational facilities

8.0 Local Financial Commitment

- Financial Plan
  - Assumes initial $9 vehicle rental fee enacted in May 2010, with revenues collected beginning September 1, 2010
  - Assumes increase to full $18 vehicle rental fee plus inflation in March 2012, with increased revenues collected beginning July 1, 2012
8.0 Local Financial Commitment (continued)

- Capital Plan (costs and funding sources)
  - Cost - $283.5 million (year-of-expenditure dollars)
    - $170.1 million FTA New Starts discretionary grant
    - $18.0 million FHWA CMAQ grants
    - $46.1 million State Capital Assistance Programs
    - $41.2 million SERTA direct investment
    - $8.1 million SERTA bonds

- Operating Plan (costs and funding sources)
  - Cost - $13.4 million (2009 dollars, inflated at 5.8%)
    - FTA 5307 commuter rail floor - constant $4.6 million
    - State 85.20 operating assistance – $8.2 to $10.6 million (2017 to 2028)
    - Fare revenues - $5.0 to $6.6 million (2017 to 2028)
    - SERTA vehicle rental fee revenues – $10.0 to $14.2 million (2017 to 2028)

- Under base scenario with conservative assumptions, cash balance is $43.1 million in 2028, with a positive but declining net cash flow

- Sensitivity Analysis and Contingency Plan
  - Demonstrates SERTA's ability to fund project under very pessimistic assumptions
    1. High capital costs of $267.5 million (2009 dollars)
    2. Vehicle rental fee revenue shortfall of 80%
    3. O&M costs 15% higher
    4. Ridership (fare revenues) 50% lower
  - Combination of all four above “stress tests”
  - SERTA is able to maintain a positive cash balance through 2028 under each test, but net cash flow begins to go negative prior to 2028 in each case, resulting in significantly lower cash balances
8.0 Local Financial Commitment (continued)

- **Risks and Uncertainties**
  - 60-day working capital reserve fund
    - Covers any immediate cash flow problems which may arise during operation
  - 17.5% contingency added to capital costs
  - Stability of capital and operating funding for existing transit systems is discussed
    - Includes summary of proposed legislation providing dedicated local funding for transit systems in southeastern Wisconsin

9.0 Project Management Plan

- Provides initial plan for completing next four stages of project development
  - To be continuously updated as project progresses
- SERTA to decide how to staff a Design and Construction Team which would complete Preliminary Engineering/FEIS, Final Design, Construction, and Implementation
  - SEWRPC will aid in transition and provide support
  - SERTA Executive Director should be hired
- Project Management Consultant
  - May be hired to manage engineering work efforts and perform portion of administrative and contract tasks
- General Engineering Consultant
  - Would focus on engineering design and construction
10.0 Before and After Study Plan

- Provides plan to document changes in the project during its development and assess the accuracy of forecasts prepared during planning and development.

- Five areas of information are to be reported to FTA just prior to each stage of development, as well as two years after service is initiated:
  - 1. Project scope
  - 2. Transit service levels
  - 3. Capital costs
  - 4. Operating and maintenance costs
  - 5. Ridership patterns and revenues

11.0 KRM Support

- Lists those endorsements of the concept of KRM commuter rail, including:
  - Elected officials
  - Businesses
  - Economic development interests
  - Education leaders
  - Labor organizations
  - Faith-based organizations
  - Community leaders and activists
  - Other local organizations and agencies

- Summarizes comments from public meetings held for the project.

- Includes local government resolutions endorsing proposed KRM commuter rail.
### Next Steps

- **Commuter Rail Project Next Steps**
  - Determine to submit “New Starts” application to FTA for consideration of discretionary Federal funding to enter Preliminary Engineering
  - FTA decision on entering Preliminary Engineering
  - Conduct Preliminary Engineering
  - Apply to FTA for Final Engineering and Design funding
  - FTA decision on entering Final Engineering and Design
  - Conduct Final Engineering and Design
  - FTA Decision on Full Funding Grant Agreement
  - Construction
  - Service operations begin
(5q) Southeastern Regional Transit Authority

APPLICATION. No later than one year after the effective
date of this subsection*, the southeastern regional transit
authority under section 59.58 (7) of the statutes, as
created by this act, shall submit to the federal transit
administration in the U.S. department of transportation
an application to enter the preliminary engineering phase
of the federal new starts grant program for the KRM commuter
rail line, as defined in section 59.58 (7) (a) 3. of the
statutes, as created by this act.

* Effective date of this subsection is June 29, 2009.
June 9, 2010

Southeastern Wisconsin Regional Planning Commission
Kenneth Yunker, Executive Director
W239 N1812 Rockwood Drive
P.O. Box 1607
Waukesha, WI 53187-1607

Dear Mr. Yunker,

On May 17, 2010, the Southeastern Regional Transit Authority (SERTA) voted 7-2 to submit a “New Starts” application to enter preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) Commuter Rail project. Supervisor Michael Mayo Sr., and I, the Milwaukee County representatives to SERTA, cast the two dissenting votes.

From the outset of this process, Supervisor Mayo and I made it abundantly clear that our highest priority, as members of SERTA, was to secure dedicated local funding for the Milwaukee County Transit System (MCTS). In the absence of this dedicated funding for MCTS, we simply cannot support SERTA’s decision to move ahead with the KRM project at this time.

The attached Minority Report, presented by both Milwaukee County representatives, details the alternative to SERTA’s majority viewpoint. This Minority Report prepared by Milwaukee County is to accompany the KRM application being advanced by SERTA to the FTA. Thank you for your assistance in submitting this minority report along with the grant application.

Sincerely,

Lee Holloway
Chairman,
Milwaukee County Board of Supervisors

cc: Mr. Karl Ostby, Chairman, SERTA
Minority Report
Submitted to
United States Department of Transportation
Federal Transit Administration
June 2010

The Honorable Lee Holloway
Chairman of the Board
Milwaukee County Board of Supervisors
SERTA Member

Supervisor Michael Mayo, Sr.
1st Vice-Chairman, County Board
Chairman, Transportation, Public Works & Transit Committee
SERTA Treasurer
June 10, 2010

Federal Transit Administration
Peter M. Rogoff, Administrator
U.S. Department of Transportation
East Building, 4th Floor
1200 New Jersey Avenue, SE
Washington, DC 20590

Dear Mr. Rogoff and Ms. Simón,

The 2009 Wisconsin Act 28 created the Southeastern Regional Transit Authority (SERTA). This entity is comprised of appointees of: Milwaukee County; the City of Milwaukee; Racine County; the City of Racine; Kenosha County; the City of Kenosha; and the Governor. As Chairman of the Milwaukee County Board of Supervisors, I am the appointing authority to SERTA for Milwaukee County. Per this authority, I appointed Supervisor Michael Mayo, Sr., 1st Vice-Chair of the Milwaukee County Board of Supervisors, and myself to serve on SERTA.

In making these appointments, I informed the public that the highest priority of Milwaukee County’s representatives to SERTA would be securing a dedicated sales tax to resolve the funding crisis facing the Milwaukee County Transit System (MCTS). With the support of Milwaukee County leadership, SERTA did work to advance a bill through the Wisconsin State Legislature that would have allowed for the local creation of a dedicated transit sales tax for MCTS. While this legislation enjoyed broad-based support, it failed to pass before the Legislature adjourned.

On May 17, 2010, the SERTA voted to submit a “New Starts” application to enter preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) Commuter Rail project. Both Supervisor Mayo and I voted against advancing this application. We simply could not support moving ahead with an application for a new multi-million dollar alternative transportation system in Southeastern Wisconsin when the existing bus system in Milwaukee County faces likely service reductions.

As part of its decision making process, the Federal Transit Administration is urged to consider the minority viewpoint of Milwaukee County. The Milwaukee County representatives on SERTA present the attached Minority Report to the Federal Transit Administration. Along with Supervisor Mayo, I am pleased to submit the attached Minority Report for your consideration.

Your attention to the viewpoint of Milwaukee County is appreciated. Should you need any additional information, please don’t hesitate to contact my office. We need your support and ask you to prioritize the stabilization of our bus system to enhance our public transportation system for all of Milwaukee County’s residents and visitors.

Sincerely,

Lee Holloway
Chairman, Milwaukee County Board of Supervisors
At the May 17, 2010, meeting of the Board of Directors of the Southeastern Regional Transit Authority (SERTA), the Board voted 7-2\(^1\) to submit a “New Starts” application to enter preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) Commuter Rail project to the Federal Transit Administration (FTA). We, the Milwaukee County representatives of SERTA, cast the two dissenting votes and present this Minority Report, which is to accompany the KRM application being forwarded by SERTA to the FTA. It should be noted that while the two City of Milwaukee representatives on SERTA voted to advance the KRM application, Milwaukee Mayor Tom Barrett recently seems to have expressed some potential reservations.\(^2\)

The Milwaukee County Board of Supervisors has unanimously adopted a resolution\(^3\) prioritizing dedicated funding for the ongoing operation of rubber-tire buses. The City of Milwaukee Common Council adopted a similar resolution\(^4\) that does not support KRM funding that is exclusive of dedicated funding for local public transit within the City and County.

**Minority Report recommendation**

In good conscience, we could not support SERTA’s decision to submit a “New Starts” application to enter preliminary engineering for the KRM project while the Milwaukee County Transit System (MCTS) and the other existing bus systems in Southeastern Wisconsin face service cuts. We offer the following alternative recommendation:

⇒ Postpone submittal of a “New Starts” application to enter preliminary engineering to the FTA for the KRM project until local dedicated funding has been provided to address the funding crisis facing MCTS.

**FTA should not give the green light to KRM until dedicated funding for buses is secured**

As leaders of the Milwaukee County Board of Supervisors, we have a responsibility to the electorate to preserve and prioritize our bus system. We believe it is inappropriate and illogical to advance an application for a new transportation system in Southeastern Wisconsin while the existing bus system in Milwaukee County is in the midst of a funding crisis and the future bus service for many residents remains in jeopardy.

Fixing the existing bus system in Milwaukee County is our priority because it is critical to the economic development of the region.

- About one-half of MCTS riders use the bus to get to work.
- Bus service hours have been reduced by 20%, and the cash fare has increased by 50% from 2001 to 2010.

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\(^3\) Milwaukee County Resolution File No. 06-60, adopted February 2, 2006

\(^4\) City of Milwaukee Legislative File No. 061248, adopted February 6, 2007
A 2008 study by the University of Wisconsin-Milwaukee Center for Economic Development found that close to 41,000 jobs became inaccessible by transit due to MCTS service cuts between 2001 and 2007.

**Milwaukee County: Populous and diverse**

Milwaukee County is home to about 960,000 residents and constitutes about 17% of Wisconsin’s population. According to the U.S. Census Bureau, more than 25% of Milwaukee County’s population self-identify as African-American and 12% as Hispanic or Latino. According to University of Wisconsin-Milwaukee research, less than one-half of Milwaukee County African-American and Hispanic adults have a valid driver's license. Clearly, the priority of Wisconsin’s most populous, urban and diversified community must be fixing the existing bus system.

**Minority Report is submitted on behalf of MCTS bus riders**

Milwaukee County’s buses transport 150,000 passengers daily. More than 88% of the boardings on the fixed route system occur in the City of Milwaukee, an urban municipality with a diverse population (37.3% African-American and 12% Hispanic or Latino). On behalf of these riders, we submit this Minority Report.

**SERTA vote puts few KRM commuters before many MCTS riders**

SERTA’s action prioritizes the desire of potential KRM commuters for convenient regional travel above the transit needs of local residents. SERTA’s action leaves behind millions of existing MCTS riders who are transit dependent. A substantial number of MCTS passengers have no other means of transportation available to them.

**MCTS bus riders**

- MCTS provides over 46 million passenger rides a year on the fixed route system and over 1 million additional paratransit rides for people with disabilities.
- About 1/3 of total MCTS passengers do not have an automobile in their household, and about 1/2 of MCTS passengers do not have a driver’s license.

**KRM commuter rail riders**

- It is projected that the KRM line will carry only about 2 million annual passengers.
- It is projected about 75% of KRM passengers will use an automobile to access KRM service.

**Chronology of efforts to secure dedicated sales tax for MCTS:**

**Referendum, gubernatorial veto, and non-passage of separate legislation**

On November 4, 2008, the voters of Milwaukee County endorsed a dedicated sales tax for transit and other services as an alternative funding mechanism to the property tax. The referendum passed by a margin of 52% in Milwaukee County. Voter support was overwhelming in the City of Milwaukee, where the referendum passed by a margin of 58-42 percent.⁵

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⁵ Milwaukee County Election Commission Canvas, November 4, 2008
As part of the 2009-2011 budget, the State Senate and the State Assembly did pass legislation that would have allowed Milwaukee County to create a dedicated sales tax for transit. On June 29, 2009, Governor Jim Doyle vetoed this budget provision. The Governor’s veto was unexpected and will prove devastating to MCTS.

Subsequent to this gubernatorial veto, a separate bill was introduced in the Legislature that would have allowed for the creation of a dedicated sales tax to fund MCTS. This bill was supported by labor and business. Notwithstanding support from a broad-based coalition, this bill failed to pass during the regularly scheduled floor period of the 2009-2010 legislative session.

Under normal circumstances, it would be difficult to predict the future passage of similar legislation. Given the extraordinary circumstances of a retiring incumbent Governor and the retirement of 23 incumbent Wisconsin legislators, the future political dynamic is very unpredictable. It is likely that the earliest any enabling legislation allowing Milwaukee County to create a dedicated local funding source for MCTS could be passed is the 2011-2013 State Budget, which is more than a year away.

Future of fixed route service tenuous without dedicated local funding
At the last SERTA meeting, MCTS Managing Director Anita Gulotta-Connelly described the funding challenges MCTS faces in the immediate future and over the long-term. According to preliminary estimates, MCTS faces a $10.2 million funding gap in the 2011 MCTS budget. It is projected that this $10.2 million budget gap would equate to a service cut of about 14%, or 188,000 hours of service per year.

Potentially, the 2011 budget gap could be even larger than $10.2 million. The $10.2 million gap is predicated upon an assumption that Milwaukee County will infuse an additional $2.1 million of local property tax revenue into transit next year. This assumption is premature since the elected officials of Milwaukee County have not yet begun the budget process for next year.

It is certain that, without dedicated funding, transit will continue to have to compete with mandated and non-mandated services for scarce property tax resources. As a result of this competition among human services, the parks, and the bus system, it may be unlikely that MCTS will realize the additional revenues that have been projected.

Future of paratransit service tenuous without dedicated local funding
Given fiscal constraints, Milwaukee County may have to reconsider its delivery of paratransit services. Milwaukee County’s current coverage exceeds federal law requirements that paratransit service be provided within ¾ of a mile of existing bus routes. Without dedicated funding for transit, Milwaukee County’s ability to deliver paratransit rides throughout the County is at risk.

During deliberations on the 2010 Milwaukee County budget, policymakers did consider reducing paratransit service to the federal requirement. Under this scenario, service to nearly all of Franklin, Hales Corners and Oak Creek would be eliminated. Also, service to parts of

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6 Milwaukee County Transit System, May 2010, Power Point presentation
7 County Board Chairman memo to County Executive, May 13, 2010
Bayside, Brown Deer, Cudahy, Glendale, Greendale, Greenfield, River Hills, St. Francis, South Milwaukee, West Allis and Milwaukee’s far northwest and south sides would be reduced. This action would result in a loss of service to about 1,300 clients and about 100,000 rides.

Dedicated local funding for KRM: the $18 car rental fee
The only local dedicated funding currently available for transportation alternatives in Southeastern Wisconsin is the $18 car rental fee, which is intended to finance the KRM. At a time when the MCTS lacks a dedicated sales tax, we are opposed to moving forward with the enactment of the local funding source for KRM.

Considering MCTS lacks dedicated funding, it is particularly onerous that the local share of the KRM project largely would be generated out of Milwaukee County. Transactions for car rentals in Milwaukee County account for about 42% of all activity in Wisconsin. Clearly, it is reasonable to assume that most of the rental revenues for KRM would be generated by activity at General Mitchell International Airport (GMIA). Milwaukee County owns and operates GMIA, and the County Board Committee on Transportation, Public Works, and Transit, chaired by Supervisor Mayo, governs the policies of the airport.

KRM operating revenues
Bus systems are heavily dependent on the State to provide operating revenues. State assistance constitutes about 40% of the MCTS operating budget. In the future, MCTS likely will become more dependent upon the State for operating revenues in the absence of a local dedicated funding source.

If the KRM wins federal approval, it is assumed SERTA will seek operating assistance from the State. Therefore, initiation of KRM service potentially would put MCTS in competition for scarce resources when policymakers set the biennial State budget. At this time, we simply cannot support putting MCTS at this type of competitive disadvantage.

Conclusion
Contrary to our recommendation, SERTA leadership is moving ahead with the KRM application without the ability to demonstrate that a local dedicated funding source for MCTS has been secured or will be secured in the near future. We recommend that submittal of a New Starts Application to the FTA to enter preliminary engineering for the KRM Commuter Rail project be postponed until local dedicated funding has been provided to address the funding crisis facing MCTS. Your careful consideration of this Minority Report submitted by the Milwaukee County representatives of SERTA is appreciated.

Sincerely,

Lee Holloway      Michael Mayo, Sr.
Chairman,       1st Vice-Chairman,
Milwaukee County Board of Supervisors      Milwaukee County Board of Supervisors
SERTA VOTE IGNORES RESIDENTS WHO DEPEND ON MCTS
Chairman Holloway votes against preliminary engineering for commuter rail line

Milwaukee, WI – Milwaukee County Board Chairman Lee Holloway released the following statement after the Southeastern Wisconsin Regional Transit Authority (SERTA) voted 7-2 to submit a Federal New Starts application for preliminary engineering on the Kenosha-Racine-Milwaukee (KRM) commuter rail line:

“Today, the SERTA voted to advance this application at a time when the Milwaukee County Transit System lacks a dedicated funding source. The Governor’s veto of dedicated funding, the inaction of the State Legislature, and County Executive Scott Walker’s objection to a dedicated sales tax for transit are putting our riders in jeopardy. Over the objections of the County Executive, the Milwaukee County Board of Supervisors has led the fight to secure a dedicated funding source for the Milwaukee County Transit System. The voters have endorsed taking transit off the property tax as a long-term solution to the funding crisis in transit.

“Supervisor Michael Mayo, Sr., and I, who are the Milwaukee County representatives on SERTA, voted against this application because we place a higher priority on the existing bus system. A minority report will be included with the federal application. In good conscience, we could not vote to prioritize commuter rail service over the bus system.

“I am particularly disappointed that the two SERTA members appointed by Milwaukee Mayor Tom Barrett voted to support the KRM application without dedicated funding for MCTS. Approximately 88% of MCTS boardings occur in the City of Milwaukee. We cannot leave vulnerable Milwaukee residents in the dust. According to projections released by the Southeastern Wisconsin Regional Planning Commission, 75% of the KRM’s riders will use an automobile to access the KRM rail stations. Taking commuter rail is a lifestyle choice that shouldn’t play second fiddle to the needs of those who depend on the Milwaukee County bus system, including the poor, seniors, students and individuals with disabilities.

“It was my wish that we all could have been in the ship together and agreed to advance the region’s transportation requests to the federal government with a clear voice. Mayor Barrett and County Executive Walker should deliver to our residents their long-term solutions for the rubber-tire mass transit system in Milwaukee County.”

###
Transit authority will seek federal approval for KRM commuter rail line

By Larry Sandler of the Journal Sentinel

Posted: May 17, 2010 |(99) Comments

The Southeastern Wisconsin Regional Transit Authority voted 7-2 Monday to seek federal approval for preliminary engineering on a $283.5 million commuter rail line from Milwaukee to Kenosha.

But the transit authority decided to hold off on enacting a rental car tax to fund the KRM Commuter Link system until the Federal Transit Administration approves the start of engineering.

At the same time, the Milwaukee County Transit System's top leader warned that the financially strapped bus network could face a 14% service cut next year and twice as deep a reduction the following year - a key point for federal officials in deciding whether they eventually will allow construction of the commuter train line.

The KRM would run 14 round trips each weekday, with a reduced schedule on weekends and holidays. In addition to downtown Milwaukee, Racine and Kenosha, it would stop at Milwaukee's south side, Cudahy, South Milwaukee, Oak Creek, Caledonia and the Town of Somers. Ridership is projected at 1.9 million a year.

While Monday's vote doesn't guarantee the rail line will be built, federal approval would mark the first time a Milwaukee-area rail transit project has reached the preliminary engineering stage. A separate study panel recently voted to push for preliminary engineering on a modern streetcar line in downtown Milwaukee.

Planners previously said federal transit officials would not allow the KRM to move forward unless the Milwaukee County bus system was financially stabilized. Legislation to authorize a 0.5% sales tax for the transit system died in the Legislature last month.

But Federal Transit Administration officials changed their position Friday afternoon, said Ken Yunker, executive director of the Southeastern Wisconsin Regional Planning Commission. The federal officials said they could allow preliminary engineering to start but would not provide funding for final engineering and construction unless the bus system's funding issues were resolved, Yunker said.

Planners are counting on $188.1 million of federal cash to cover two-thirds of construction costs,
including inflation. Another $46.1 million, nearly one-sixth of the total, would come from the state government.

If the project moves into preliminary engineering, the RTA would need to enact a $10- to $11-a-car rental car tax to cover the local share of the costs, then increase the rental car fee to the full $18 authorized by the Legislature if the rail line reaches final engineering, Yunker said. A previous $2 fee, levied by a predecessor body, lapsed last year.

The rental car tax, which could rise with inflation, also would cover part of the KRM's $13.4 million-a-year operating costs, with the rest coming from fares and state and federal aid.

RTA Chairman Karl Ostby said the panel would not vote on the rental car tax until federal officials act. Milwaukee County Board Chairman Lee Holloway and Chris Kliesmet, spokesman for the self-styled watchdog group Citizens for Responsible Government, contended the unelected RTA had committed itself to the rental car tax by Monday's vote.

Holloway and Supervisor Michael Mayo Sr. opposed the move to preliminary engineering. Holloway said he could not support moving forward on KRM without action to rescue the bus system and the disadvantaged residents who depend on buses.

Although Holloway said he was not opposed to the KRM, he described it as "an elitist transit system where the commoner people are left behind" and voiced fears that business leaders would stop campaigning for bus funding if the rail line's future was assured. Businesses, labor unions and community groups joined forces to press for the transit legislation.

Ostby, RTA Vice Chairman Chris Layden and Greater Milwaukee Committee President Julia Taylor disagreed with Holloway, saying businesses see the bus system as a vital way to carry workers to jobs. They also said moving forward with KRM would keep up pressure to solve the bus system's woes because the KRM couldn't win final approval without a healthy bus system.

The transit system's future remains grim, Managing Director Anita Gulotta-Connelly told the RTA. Even with $2.1 million in additional property tax support pledged by County Executive Scott Walker, transit officials forecast a $10 million shortfall, based on rising costs, falling ridership and declining state and federal aid. If county officials close that gap by service cuts alone, it would eliminate 14% of bus service, she said.

Walker said recently that he would budget another $3 million for the transit system next year to stave off route cuts. The conflict between the numbers provided by Walker and Gulotta-Connelly could not be resolved immediately. A Walker aide declined to comment Monday.
Transit authority rolls on commuter rail planning (UPDATE)

by Sean Ryan
Published: May 17th, 2010

Planners of the Kenosha-Racine-Milwaukee commuter rail Monday gave up on waiting for state approval for transit taxes and chose to apply for federal planning money. The Southeastern Regional Transit Authority will not get federal construction money for the estimated $232.7 million project without a state law letting local governments raise taxes to pay for transit. But the authority is eligible for planning money and, after delaying the application since January, chose to push ahead without the state law.

Lee Holloway, a member of the Southeastern RTA, said the approach will lead to pointless planning for the rail project.

"Why should we be moving forward if we don't know what is going to take place?" said Holloway, who is chairman of the Milwaukee County Board of Supervisors.

The RTA by June 21 will apply for Federal Transit Authority approval to begin engineering the KRM project.

A change in FTA policy means the agency now will consider an application for engineering money. But the project will not get federal construction grants until the state Legislature approves new taxes, such as a sales tax, for buses in the region, said Ken Yunker, executive director of the Southeastern Wisconsin Regional Planning Commission.

The Legislature closed its session in April without Assembly or Senate votes on an RTA bill. The Legislature is unlikely to reconvene to discuss an RTA bill until early 2011, after state elections in November, said state Rep. Peter Barca, D-Kenosha.
Holloway said the Southeastern RTA should not advance the KRM until the Legislature approves a regional transit authority law, but others on the panel said there is no reason to wait. John Antaramian, the city of Kenosha’s representative on the authority, said the KRM planning could goad the Legislature into acting more quickly.

“I’ll be damned if I’m going to say I’m not going to take a leadership position because I didn’t get my way,” he said.

If the FTA approves the planning money, the authority’s board will consider enacting a $10 to $11 fee on car rentals in Kenosha, Racine and Milwaukee counties. The fee would pay the local share of planning costs.

Holloway said he will oppose enacting a car-rental fee to pay for the project until the state approves a transit tax.

“If it gets to that point,” he said, “and we don’t have the legislation in place, I’m going to fight like hell.”

Karl Ostby, chairman of the Southeastern RTA, said he supports moving the application forward, but the authority must decide in the future whether to levy the car-rental fee.

“Obviously, we’d love to have a perfect world where everything gets resolved quickly,” he said, “and I appreciate Chairman Holloway’s position. But we’re also against a deadline.”

The biennial state budget that created the RTA in June 2009 also set a June 2010 deadline for the authority to apply for federal approval for the KRM planning.

Holloway said the legislative deadline has no meaning after the Legislature did not approve transit taxes.

“They didn’t pass it,” he said, “so they, in turn, put us dead in the water.”
Rail ideas await their fate in Milwaukee

Three stalled plans for Wisconsin train travel get reanalyzed in the election year

By Larry Sandler of the Journal Sentinel

Posted: May 30, 2010 |(110) Comments

Railroads and politics have one thing in common: They're all about the timing.

Trains run by schedules. Politicians wait for the right moment to make their moves.

And timing is everything for rail transportation in southern Wisconsin, where political circumstances have brought three different rail transit plans to the forefront simultaneously - only to thrust them into an election-year controversy where some plans may not survive.

After years of study and debate, the state has landed an $810 million federal grant to build a high-speed train line from Milwaukee to Madison. At the same time, Milwaukee-area authorities are seeking federal permission to start preliminary engineering on a $283.5 million commuter rail line from Milwaukee to Kenosha and a $95.8 million modern streetcar line in downtown Milwaukee, two other long-discussed ideas.

Officially, the three plans are not related, except that all three systems would converge at Milwaukee's downtown Amtrak-Greyhound station, where the streetcar could carry Amtrak or KRM Commuter Link passengers "the last mile" to their destinations, Milwaukee Mayor Tom Barrett said. Supporters also tout all three as ways to stimulate economic development and improve mobility.

Politically, all three are linked in the minds of their opponents, as symbols of unnecessary taxation and skewed transportation spending priorities, say Milwaukee County Executive Scott Walker and state Rep. Robin Vos (R-Racine). Walker, Vos and their allies oppose new sales taxes - which are not currently proposed for any of the rail lines - and want transportation dollars spent on roads and buses.

Although the high-speed rail planning started under former Republican Gov. Tommy G. Thompson, a longtime passenger train booster, the train debate in recent years has turned partisan, pitting Democratic rail backers against GOP critics. Now the rail projects have emerged as an issue in the fall governor's race - in which Barrett is the likely Democratic nominee and Walker is facing former U.S. Rep. Mark Neumann for the GOP nod.
Walker has taken the hardest line against all three projects, vowing to kill the high-speed train project if he's elected. He has long argued against the streetcar line and recently came out against the KRM, a project he had not vocally opposed before.

Neumann, meanwhile, has said he would analyze the costs and benefits of the high-speed train, but would end work on it if "we find this thing is going to be an economic boondoggle for the people of this state." He says he would apply the same approach to state aid for the KRM and the streetcar line.

**Barrett's qualms on KRM**

Barrett has been the chief advocate for the streetcar and has joined Gov. Jim Doyle in backing the high-speed train line. But he says his support for rail projects doesn't necessarily extend to the KRM.

Unlike the streetcar and high-speed rail, the commuter rail line KRM doesn't have a pot of federal money pledged to it, Barrett noted. Also, he said, the Chicago-area Metra commuter train system hasn't agreed to coordinate its schedules with the KRM, allowing passengers to easily transfer between systems for trips across state lines. Without those factors, Barrett said, "I'm not going to commit to it."

The KRM's fate also has been tied to legislation to overhaul funding for the Milwaukee County Transit System and its counterparts, which floundered in Madison amid concerns about authorizing new sales taxes in an election year.

That leaves the KRM as the most vulnerable of the three rail projects, both advocates and opponents conclude.

"We've got some hurdles to overcome," conceded Karl Ostby, chairman of the Southeastern Regional Transit Authority. "It's a challenging time politically."

And even though construction funding is more solid for the streetcar and the high-speed rail line, all three projects have preliminary financial plans that call for varying levels of state operating aid, which eventually would require approval by the Legislature and the governor in the state budget.

"You can't point to any of these and say it's a done deal," says Rob Henken, president of the Public Policy Forum, which has studied local transit issues.

Yet it was another election, in November 2008, that laid the groundwork for all three rail plans to advance as far as they have. Democrat Barack Obama was elected president, while Democrats captured the Assembly and expanded their majorities in the state Senate and both chambers of Congress. With Doyle as governor, Democrats were solidly in control of both state and federal executive and legislative branches.

Barrett moved quickly to take advantage of the political shift. For 17 years, local and state officials had battled to a stalemate over how to spend $91.5 million in long-idle federal transit funds. Since 2007, Barrett had been pushing to use part of the money for streetcars, while Walker wanted all of it spent on express buses.

But in March 2009, with his former colleagues running Congress and a fellow Democrat in the White House, Barrett engineered a deal to hand the city 60% of the cash, or $54.9 million, for the streetcar line, leaving the rest for the county to spend on buses.
High-speed rail

Similarly, the Milwaukee-to-Madison train plans had sat idle for years, as part of a larger initiative to run fast, frequent trains across the Midwest. State officials had pledged to put up 20% of the cost, but the federal government had never agreed to provide the other 80%.

All that changed with the massive federal stimulus package approved in February 2009. Congress appropriated $8 billion for high-speed rail projects nationwide, and the Obama administration agreed to pay 100% of the cost of the Wisconsin line.

Meanwhile, a lower-profile federal move improved the prospects for the KRM, under study since 1997. Until recently, federal funding standards had favored projects in only the largest metropolitan areas, reducing the chances for a rail line in the Milwaukee area, said Ken Yunker, executive director of the Southeastern Wisconsin Regional Planning Commission.

The Obama administration ushered in a more favorable attitude toward rail transit, broadening the guidelines to consider a project's impact on its region's livability and sustainability instead of focusing primarily on cost-effectiveness, said Milwaukee Ald. Bob Bauman.

Locally, the Federal Transit Administration slightly eased its position that it would not approve KRM until public bus systems were financially stabilized, raising the possibility that the rail line could enter preliminary engineering while officials continued work on transit funding, Yunker said.

Those developments encouraged the RTA to seek approval for preliminary engineering, despite the transit legislation's death.

Yet the legislative debate highlighted the risks of pressing transit plans forward in an election year, even with one-party control of the Capitol. A year earlier, lawmakers had approved a budget provision to create a one-county transit authority that would levy a local sales tax for Milwaukee County's troubled bus system, but it was vetoed by Doyle, who preferred a regional solution. This year, revised versions of the legislation never even reached the floor of either chamber, reflecting skittishness about authorizing new sales taxes before facing voters.

Vos, a leading rail opponent, calls the legislative hesitation a sign of bipartisan reservations about the KRM.

Current plans call for funding the KRM with a rental car tax of up to $18 a car, but Walker fears the rental car tax would prove unsustainable and would be replaced by a sales tax. Even if that doesn't happen, federal approval for final KRM construction hinges on bus funding that likely would require a sales tax, Ostby noted.

Commuter rail backers such as Ostby, Greater Milwaukee Committee President Julia Taylor and state Rep. Peter Barca (D-Kenosha) say the transit bill mobilized a strong coalition of business, labor and community groups for both bus and rail transit.

Find this article at:
## Proposed trains

Although three rail transit plans have moved simultaneously to the forefront of public debate, they were developed separately and differ significantly in their purpose, technology, cost and funding.

![High-speed train]

### High-speed train

- **What it would do**: Initially, the Milwaukee-to-Madison route would operate as an extension of Amtrak’s Milwaukee-to-Chicago Hiawatha line. Long-term plans call for extending the route to the Twin Cities, as part of a Chicago-based Midwestern network of fast, frequent trains.

### KRM Commuter Link

- **Commuter trains typically connect major cities with their suburbs. They usually run diesel trains on existing freight railroads. The KRM would use self-propelled coaches, called diesel multiple units. While most riders are heading to or from work or school, others use the trains to reach shopping or entertainment.**

### Downtown streetcar

- **Modern streetcars resemble light rail vehicles but operate much like vintage streetcars, running on rails laid in streets, mixing with other traffic and powered by overhead electric wires. Residents and visitors use them for short trips around downtown and nearby neighborhoods.**

<table>
<thead>
<tr>
<th><strong>Who would run it</strong></th>
<th>Amtrak</th>
<th>Southeastern Regional Transit Authority</th>
<th>City of Milwaukee, unless the Southeastern Regional Transit Authority is authorized to take control.</th>
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<td><strong>What it would cost</strong></td>
<td>Construction: $810 million, operations: $16.5 million a year.</td>
<td>Construction: $283.5 million, operations: $20.4 million a year.</td>
<td>Construction: $95.8 million, operations: $13.85 million a year.</td>
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<td><strong>Who would pay for it</strong></td>
<td>Construction: 100% federal; operations: 51% fares, 45% state.</td>
<td>Construction: 66.3% federal, 17.4% local, 16.3% state; operations: 40% state, 24% fares, 19% local, 17% federal.</td>
<td>Construction: 83% federal, 17% local; operations: 50% state and federal combined, 34% fares, 16% local.</td>
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<td><strong>What’s been spent so far</strong></td>
<td>The state Department of Transportation says it does not have figures on total spending for previous studies and engineering on this line.</td>
<td>Studies since 1997 have cost a total of $6 million (80% federal, 12% local, 8% state). Preliminary engineering would cost $6.5 million to $7.5 million (90% federal, 10% state, 10% KRM).</td>
<td>Since 2007, the city has spent $1.65 million (85% federal, 15% city) on studying the streetcar, not counting previous studies of other options, such as light rail and guided electric buses. City officials have no estimate yet for preliminary engineering costs, which would be paid with 85% federal and 15% city funds.</td>
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<td><strong>How it would work</strong></td>
<td>Trains would run six round trips a day on the 85-mile line. Service would start at a top speed of 79 mph in 2013, when a trip from downtown Milwaukee to downtown Madison would take 1 hour 14 minutes on express trains and 1 hour 23 minutes on trains that stop at all stations. In 2015, the top speed would rise to 100 mph, cutting travel time to 1 hour 4 minutes express and 1 hour 33 minutes on local trains.</td>
<td>Trains would run 14 round trips each weekday, with a reduced schedule on weekends, starting in 2012. Passengers could transfer to the Chicago area’s Metra trains at the Kenosha station or take shuttle buses to Mitchell International Airport from the Cudahy station. At an average speed of 38 mph, it would take 53 minutes to travel the full 33-mile line from Milwaukee to Kenosha.</td>
<td>Streetcars would run every 10 minutes for most of each weekday, and every 15 minutes for early morning, late-night and weekend service. Starting in 2013, at an average speed of 9 mph, a trip the full length of the 3.6-mile line from E. Brady St. to the development at the former Pabst Brewery, would take 24 minutes.</td>
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</table>
ITEM NO. 2) Resolution by Supervisors White, Mayo, and Holloway, identifying a dedicated funding source for rubber tire transit service as Milwaukee County’s top priority of the Regional Transit Authority, by recommending adoption of the following:

AN AMENDED RESOLUTION

WHEREAS, the Milwaukee County Transit System (MCTS) is a vital part of the Metropolitan Milwaukee economy providing 1,300 jobs and conducting $50 million dollars of business with 500 local companies for supplies and services; and

WHEREAS, MCTS provides over 150,000 rides to Milwaukee County residents to work, school, and recreational activities including events such as Summerfest, State Fair, Ali’s Run, and ethnic festivals; and

WHEREAS, Milwaukee County has one of the best transit systems in the United States as recognized by its peers having been awarded Best Transit Operation in the United States in 1987 and 1999; and

WHEREAS, a recent State of Wisconsin Department of Transportation (WDOT) audit found MCTS ranking second lowest in general and administrative employees, lowest cost per passenger, and most passengers per capita compared to its peer group of thirteen other cities; and

WHEREAS, while MCTS has efficiently utilized operating assistance provided by federal, state, and local sources, transit services has suffered from funding levels that have not kept pace with the inflationary costs of operating and maintaining transit services, affected MCTS’ ability to maintain the high level of service expected by Milwaukee County residents; and

WHEREAS, since 2001, over 200,000 revenue hours have been cut and have limited mobility of transit patrons by eliminating 14 routes, cut portions of 7 routes, reducing trips on 5 routes, restructuring 3 routes, and reduced the number of late night trips on all MCTS routes; and

WHEREAS, higher fares and loss of service has caused average weekday ridership to drop from 185,000 in 2000 to 150,000 in 2003, and annual ridership to drop from 52.8 million passengers in 2000 to 48 million in 2003; and

WHEREAS, higher fares and service cuts inhibit mobility options, limit opportunities to gain employment, and interfere with an employer’s ability to attract and retain qualified employees; and
WHEREAS, the County Board of Supervisors approved Resolution File Number 04-56 calling upon the Southeastern Wisconsin Regional Planning Commission to conduct an analysis of funding options and alternatives for financing a Regional Transportation Authority for Southeastern Wisconsin; and

WHEREAS, in November 2005, the Milwaukee County Board of Supervisors overrode a veto of the County Executive and passed Resolution File 05-290 calling upon the Governor and Legislators to identify and adopt a dedicated non-property tax funding source for the ongoing operating expense of the transit system currently funded by property tax; and

WHEREAS, the 2005-2007 biennial budget adopted in late July of 2005 authorized the creation of a regional transit authority with the following representation:

Three members, one from each county in the region appointed by the County Executive and approved by the County Board
Three members, one from the most populous city in each county appointed by the mayor and approved by the common council
One appointee by the Governor from the most populous city in the region

; and

WHEREAS, by November 15, 2008, the RTA is to submit to the Governor and Legislature recommendations on the following topics:

A plan to improve the coordination of expanded mass transit, commuter rail, and passenger rail in the region,
A recommendation on the use of bonding for commuter rail and public transit in the region, and the role of the authority in such bonding,
A recommendation as to whether the responsibilities of the authority should be limited to collection and distribution of regional transit funding or should also include operation of transit service,
A plan for the distribution among mass transit operators in the region of any permanent regional funding,
A proposal that specifically identifies a permanent regional funding source to provide local funds for the local portion of operating and capital costs of commuter rail and public transit that are not covered by passenger fares and that considers all potential funding sources,
A recommendation on whether the authority continue in existence after September 30, 2009
; and

WHEREAS, an appointment of Milwaukee County’s representative has yet to be made to the regional transit authority; and
WHEREAS, a policy direction was not yet been established with regard to the efforts of the regional transit authority; now, therefore,

BE IT RESOLVED, that the Board of Supervisors affirms Milwaukee County’s highest priority of the Regional Transit Authority is to identify a non-property tax dedicated funding alternative for the ongoing operation of Milwaukee County Transit System’s rubber tire bus service; and

BE IT FURTHER RESOLVED, that the Board of Supervisors calls upon the Southeastern Regional Planning Commission to establish as its top priority the completion of a study, adopted by the Board of Supervisors on February 5, 2004 with Resolution File number 04-56, analyzing funding options and alternatives for financing a Regional Transportation Authority.
Attachment 6 (continued)

Substitute resolution relating to a dedicated funding source for both the local share of the capital and operating costs for the operation of the proposed Kenosha, Racine and Milwaukee commuter rail service, and the local share of the capital and operating costs for operation of local public transit service within the City of Milwaukee and Milwaukee County.

Sponsors:
ALD. BAUMAN, D’AMATO, MURPHY, HINES JR., ALD. DONOVAN, ALD. WITKOWIAK, ALD. MCGEE JR., ALD. DAVIS, ALD. WADE, ALD. HAMILTON

Indexes:
BUS SERVICE, RAILROADS, TRANSPORTATION

Attachments:
Fiscal Note, Ald. Bauman news release, Sales Tax Proposed for train line - article, 1/30/07 Ald. Bauman e-mail re: RTA Update, Letter from Lee Holloway, Milwaukee County Board of Supervisors, Email from Jennifer Houdyshell.PDF

Number
061248

Version
SUBSTITUTE 1

Reference

Sponsor
ALD. BAUMAN, D’AMATO, MURPHY, HINES, DONOVAN, WITKOWIAK, McGEE, DAVIS, WADE AND HAMILTON

Title
Substitute resolution relating to a dedicated funding source for both the local share of the capital and operating costs for the operation of the proposed Kenosha, Racine and Milwaukee commuter rail service, and the local share of the capital and operating costs for operation of local public transit service within the City of Milwaukee and Milwaukee County.

Analysis
This resolution expresses the Common Council’s opposition to the Southeastern Wisconsin Regional Transit Authority’s recommendation to increase the RTA’s car rental fee from $2 to $15 per transaction for the sole purpose of funding the local share of capital and operating costs of the KRM commuter rail service. The resolution also states that the Common Council only supports a dedicated funding source for the KRM service if that funding source also provides funding for the local share of capital and operating costs of local public transit service within the City of Milwaukee and Milwaukee County. Finally, this resolution directs the Intergovernmental Relations Division of the Department of Administration to lobby the State Legislature to support the Common Council’s positions on this matter.

Body
Whereas, The Southeastern Wisconsin Regional Transit Authority (“RTA”) was created by the Wisconsin State Legislature in 2005 for the purpose of among others, identifying dedicated funding sources to fund the local share of capital and operating costs of the KRM commuter rail service between Kenosha, Racine and Milwaukee (“KRM”), and the local share of capital and operating costs for local public transit service in Kenosha, Racine and Milwaukee Counties; and

Whereas, The RTA receives funding from a statutory $2-per-transaction fee on car rentals in the 3-county region; and

Whereas, The Milwaukee County Transit System provides vital public service within the City of Milwaukee by providing mobility for tens of thousands of citizens, many of whom do not have access to motor vehicles because of disability, age or low income; and

Whereas, Local public transit service in general and the Milwaukee County Transit System in particular provides a transportation alternative to the private motor vehicle to citizens of the City of Milwaukee; and

Whereas, Local public transit service in general and the Milwaukee County Transit System in particular is critical to the growth and economic well being of the City of Milwaukee; and
Whereas, Over the last 6 years, the Milwaukee County Transit System has experienced fare increases and service and route reductions which, if continued, threaten the viability of public transit service in the City of Milwaukee; and

Whereas, Various proposals for the expansion and improvement of public transit service in the City of Milwaukee have been explored over the last 10 years including proposals that would directly benefit the proposed KRM service by linking that service with employment, cultural, entertainment, tourist and hotel venues in downtown Milwaukee; and

Whereas, The Milwaukee County Transit System is one of the few large city transit systems in the United States that does not have a dedicated funding source for the local share of capital and operating costs; and

Whereas, A dedicated funding source for public transit service in Milwaukee County is necessary to maintain existing public transit service within the City of Milwaukee and is essential for the expansion and improvement of public transit service in the City of Milwaukee; and

Whereas, The creation of a dedicated funding source for the local share of capital and operating costs for local public transit service in the City of Milwaukee and Milwaukee County will benefit City of Milwaukee property tax payers; and

Whereas, On January 30, 2007, members of the RTA voted 6-0 to recommend to the State Legislature that the cap on the RTA’s fee on car rentals be raised by $13 per transaction (from $2 to $15) to fund the capital and operating costs of the KRM commuter rail service, with no dedicated funding for local public transit service in the City of Milwaukee and Milwaukee County; and

Whereas, Of the $4.8 million projected to be raised annually by the $15-per-transaction car rental fee, 90% will come from car rentals occurring in Milwaukee County; and

Whereas A dedicated funding source that only funds the local share of capital and operating costs of the KRM service is not in the best interest of the citizens of the City of Milwaukee; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that while the Common Council supports the development of the KRM commuter rail service, the Common Council does not support the implementation of a dedicated funding source that funds the local share of capital and operating costs of the KRM service unless that dedicated funding source also provides funding for the local share of capital and operating costs related to the operation of local public transit service within the City of Milwaukee and Milwaukee County; and, be it

Further Resolved, That the Common Council opposes the Southeastern Wisconsin Regional Transit Authority’s recommendation to increase the RTA’s car rental fee from $2 to $15 per transaction for the sole purpose of funding the local share of capital and operating costs of the KRM commuter rail service; and, be it

Further Resolved, That the Intergovernmental Relations Division of the Department of Administration is directed to lobby the State Legislature to oppose legislation increasing the RTA’s car rental fee to fund the KRM commuter rail service, and to support a dedicated funding source for the KRM service only if that funding source also provides funding for local public transit service in the City of Milwaukee and Milwaukee County.

Requestor

Drafter
LRB07011-7
JDO
02/06/2007
Transit shortfall could prompt fare increases, service cuts

Milwaukee County officials must make up for estimated $10 million budget gap

By Steve Schultze of the Journal Sentinel

Posted: June 9, 2010 | (57) Comments

An estimated $10 million shortfall in the Milwaukee County Transit System's 2011 budget is fostering renewed worries about possible route cuts, fare increases or trims to the county's paratransit service for people with disabilities.

Higher operating costs and expected cuts in federal and state aid are behind the transit budget gap, Anita Gulotta-Connelly, the transit system's top official, told the County Board's transportation committee Wednesday. Reduced ridership prompted by the recession and a shift by Milwaukee Public Schools to greater use of private buses to transport students also were blamed for the shortfall.

Gulotta-Connelly said closing the 2011 budget gap posed a major challenge, after years of belt-tightening by the system. Union transit employees recently agreed to a contract that includes a pay freeze and trims in health-care costs, she said.

The full budget for the transit system this year is $173 million, with county property taxes covering about $19 million of that.

Paring the county's door-to-door Transit Plus paratransit service could save about $2 million next year. Gulotta-Connelly said cutting the service to exclude disabled residents who live more than three-quarters of a mile from a standard bus route would match the minimum guideline for federal subsidies.

That trim would mean that about 1,500 of the estimated 19,000 Transit Plus customers would lose the service, according to transit system spokeswoman Jacqueline Janz. The savings would offset a possible $1.8 million reduction in state aid for the service, she said.

Such a cut to paratransit would eliminate service to the far northern and southern portions of the county and other smaller pockets, Janz said.

County Executive Scott Walker said he opposes reducing paratransit services. He said it "would be
awful" for residents who could lose the service and any savings would likely be only temporary. Eventually, many disabled residents would move within the three-quarter mile distance of standard bus routes to keep paratransit service, Walker said.

Walker did not rule out route cuts or fare increases, but said his if it boils down to one or the other his preference would be for rate increases. The adult single fare cost is currently $2.25.

The transit system and county departments are slated to submit 2011 budget requests to Walker in about a week. The county executive issues his proposed budget to the County Board in September.

If the entire $10 million transit cut had to be made up through route reductions, that would lead to about a 14% cut in routes, Gulotta-Connelly said.

Supervisors weren't happy with the transit choices they face.

Supervisor Mark Borkowski said it appeared Gulotta-Connelly was "soft selling" the impacts of the potential budget moves. Cuts to paratransit would likely be strongly resisted by the board, the "easy" bus route cuts have already been made and fare increases "shouldn't even be part of the vocabulary," Borkowski said.

"We have maxed out" on fare increases, he said. Borkowski favors lowering fares to $1 as a way to boost ridership, but Gulotta-Connelly said studies suggest any increase in ridership would not offset the loss of revenue.

Walker agreed.

Gulotta-Connelly said a new dedicated source of revenue is needed to support transit. A majority of the County Board has favored raising the local sales tax to pay for transit, but required state legislation for that has not been approved and Walker is opposed.

Find this article at:

☐ Check the box to include the list of links referenced in the article.
STATE OF WISCONSIN        )
                           )ss.
COUNTY OF MILWAUKEE    )

We, Judith A. Mount, Democratic Commissioner, W. Scott Nelson, Republican
Commissioner, and Yolanda Konsionowski, Democratic Commissioner, of the Milwaukee County
Election Commission, constituting the Board of County Canvassers of said County, do
hereby certify that the following and within statement is correct and true as compiled
from the original returns made to the Board of Election Commissioners of said County
and as compared therewith by us, and that from said returns, it appears that in the
several wards, Villages and election districts of said County on the 4th day of
November, 2008, the number of votes given in Milwaukee County is as follows:

The whole number of votes cast for the "Sales Tax" advisory referendum question
was 400522 of which number

   208132 votes were FOR; and

   192390 votes were AGAINST

such referendum.

WITNESS OUR HANDS at the office of the County Board of Election Commissioners
at Milwaukee, in said County, this ________ day of November, 2008.

Judith A. Mount, Democratic Commissioner
W. Scott Nelson, Republican Commissioner
Yolanda Konsionowski, Democratic Commissioner

STATE OF WISCONSIN    )
                           )ss.
COUNTY OF MILWAUKEE    )

I, Judith A. Mount, Chairperson of the Board of Election Commissioners of said County, do
hereby certify that the foregoing has been compared by me with the original certified
statement of the Board of County Canvassers on file in our office, and that the same is a
true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the Board of
Election Commissioners of said County at Milwaukee, this _____ day of November, 2008.

________________________________________________________
Judith A. Mount, Chairperson
MILWAUKEE COUNTY BOARD OF ELECTION COMMISSIONERS
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<td>5099</td>
<td>2084</td>
<td>2451</td>
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<tr>
<td>South Milwaukee</td>
<td>11190</td>
<td>4597</td>
<td>5448</td>
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<tr>
<td>Wauwatosa</td>
<td>29737</td>
<td>12013</td>
<td>14308</td>
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<tr>
<td>West Allis</td>
<td>31348</td>
<td>11927</td>
<td>15197</td>
</tr>
</tbody>
</table>

| COUNTY TOTAL                       | 476860            | 208132  | 192390 |
Milwaukee County Transit System

A System at the Crossroads
May 2010

Presented by: Anita Gulotta-Connely
Managing Director

MCTS Operating Budget
Revenue Sources

- Federal 40.1%
- Milwaukee County 11.0%
- Passenger Fares and Other Revenues 35.6%
- State 40.1%

MCTS Capital Projects
Revenue Sources

- Federal 80%
- Milwaukee County 20%

2010 Operating Budget
$ Revenue Sources

- Federal $23.0 million
- State $69.5 million
- Passenger Fares and Other Revenue $61.6 million
- Milwaukee County $19.1 million
- Total $173.2 million

Annual Capital Requirements - $16-20 million

- Federal $16 million
- Local $4 million

Federal Transit Operating and Capital Assistance

<table>
<thead>
<tr>
<th>Year</th>
<th>Formula Funds</th>
<th>Earmarks</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999 – 2004</td>
<td>$17.4 million</td>
<td>$11.0 million</td>
<td>$28.4 million</td>
</tr>
<tr>
<td>2005 – 2009</td>
<td>$17.9 million</td>
<td>$1.9 million</td>
<td>$19.8 million</td>
</tr>
</tbody>
</table>

Federal Capital Reserve

- January 2001 $43.7 million
- January 2005 $21.1 million
- January 2010 $1.2 million
Meeting Past Budget Challenges

Healthcare and Pension
- Eliminated retiree healthcare for all employees hired after 4/1/07.
- Initiated employee premium contributions for healthcare coverage.
- Required that even previously retired individuals must contribute to healthcare costs. Retirees can pay as much as $695 per month for out of area coverage.
- Instituted a smaller network HMO plan with significant deductibles. Saves several thousand dollars per year per participant.
- Employees contribute 15% of the actuarially determined costs of the pension plan.

Other Actions
- Use fuel futures to stabilize fuel costs to within budget.
- Non-operating staff reductions.
- Wage freezes.
- Furlough time off.
- Outsourcing vs. internal work.
- Competitive bidding.
- New approaches.
- Overall cost control.

State Audit Conclusions

- Lowest cost per passenger
- Lowest percent of administrative cost
- Highest ridership per capita

2011 Budget Gap

2010 Costs
- Increases in Costs Related to Existing Employees and Retirees
- Increases in Costs for Utilities, Fuel, etc.
- Estimated Reductions in Federal and State Aids, and Other Revenues

2011 Budget Gap

2011 Budget

- The Good News...... ARRA
  - Transit Capital Low cost financing for local government
  - Local Investment
  - Federal (including ARRA funds)
  - Milwaukee County

- Through the combination of ARRA funds and Milwaukee County Investment, 125 new buses, new fareboxes, a bus stop annunciator system, new roof on the Administration building and new HVAC systems for several MCTS facilities will be purchased in 2010/2011. Local bonding for these projects was done in 2010.

- $3.4 million
- $41.2 million
- $17.2 million

*No other major capital investments are needed for 2011
*Therefore – lack of Federal capital dollars is not an issue for 2011
## 2011 Budget Gap

### The Challenges:

<table>
<thead>
<tr>
<th>Preliminary Estimates</th>
<th>Adjustment (in millions)</th>
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</thead>
<tbody>
<tr>
<td>2010 Revenue projected to be significantly below budget</td>
<td>$4.2</td>
</tr>
<tr>
<td>One time adjustment in Medicare Part D revenue in 2010</td>
<td>$1.7</td>
</tr>
<tr>
<td>Reduction in MRC funding</td>
<td>$ .7</td>
</tr>
<tr>
<td>Employee/Retiree medical expense</td>
<td>$3.5</td>
</tr>
<tr>
<td>Fuel</td>
<td>$1.8</td>
</tr>
<tr>
<td>Expense of Transit Plus ridership increases</td>
<td>$2.1</td>
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<tr>
<td>Potential loss of Title XIX funding for Paratransit rides</td>
<td>$1.8</td>
</tr>
<tr>
<td>Increase in bond interest</td>
<td>$ .5</td>
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<tr>
<td><strong>Total Increase / Cost to continue</strong></td>
<td><strong>$16.3</strong></td>
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### Known Off-Set:

<table>
<thead>
<tr>
<th>Preliminary Estimates</th>
<th>Adjustment (in millions)</th>
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</thead>
<tbody>
<tr>
<td>Restored Milwaukee County Investment</td>
<td>$2.1</td>
</tr>
<tr>
<td>Increase in State Revenue</td>
<td>$1.7</td>
</tr>
<tr>
<td>Non-Operator Employee Reductions made by MCTS</td>
<td>$1.0</td>
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<tr>
<td>Pension Contribution Reduction</td>
<td>$ .6</td>
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<tr>
<td>Increase in employee/Retiree healthcare contributions; healthcare plan modifications</td>
<td>$ .7</td>
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<tr>
<td><strong>Total Known Off-Sets</strong></td>
<td><strong>$6.1</strong></td>
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</tbody>
</table>

**Budget Gap:** $10.2

### Possible Resolutions

- Additional internal savings
- Additional county investment
- Changes in Paratransit funding
- Changes in Paratransit service area
- Service cuts
- Fare increases
- Other

---

### Budget Process has just begun.....

- May or may not be able to meet 2011 challenges without impacting service.
- $10.2 million equals a 14% service cut or 188,000 hours of service per year.
- For 2012, will have similar challenges and will need to purchase additional buses. 30-40 buses with no reserve of Federal dollars – Approximately $14 million.

Whether the crisis occurs in 2011 or beyond.....

A long term funding solution is required to maintain transit services in Milwaukee.
DATE: May 13, 2010

TO: Milwaukee County Executive Scott Walker

FROM: Milwaukee County Board Chairman Lee Holloway

SUBJECT: Mass transit funding and improvements

This letter is in response to your comments published in the May 9, 2010, Milwaukee Journal Sentinel story, “Walker plans to direct more tax dollars to Milwaukee County bus system.”

Milwaukee County departments have not yet submitted to you their requested operating budget proposals. Yet, via the press, you already have announced your intentions to put an additional $3 million in local tax levy into the Milwaukee County Transit System (MCTS) next year. This latest pledge comes on top of your prior pledge to deliver a 2011 Recommended County budget that cuts the property tax levy.

The citizens and businesses that depend on Milwaukee County to deliver services should take your ability to deliver on this recent transit announcement with a grain of salt. If you are simultaneously committed in 2011 to reducing the tax levy and putting more resources into the bus system, other County-administered programs and services probably will take the hit. In light of the troubles facing your administration of the Milwaukee County Behavioral Health Department, prioritizing human services programs likely will be an identified priority for scarce resources. Therefore, your broadcasting of these future transit plans appears to be premature at best, and at worst little more than well-timed political theater.

In the near future, neither you nor I currently plan to hold our respective leadership offices in Milwaukee County. You seem okay merely putting forth a short-term fix to benefit your political pursuit. In comparison, a supermajority of the County Board of Supervisors has the courage to advocate for a long-term solution to save the bus system for the benefit of Milwaukee County businesses and residents. The Governor and the State Legislature must give Milwaukee County the authority to enact a dedicated sales tax to fund mass transit, so we can remove the bus system from the property tax once and for all. Your repeated objections to a dedicated transit sales tax have hindered any progress on transportation. That hurts our entire region.

The news article also hinted at a shift in your thinking about how Milwaukee County should use the recently released $36.6 million in federal transit aid. If you plan to use these federal dollars to keep the operating system intact, and for purposes other than Bus Rapid Transit, a thorough status update to the County Board is necessary. We need that information.

Sincerely,

Lee Holloway
Chairman, Milwaukee County Board of Supervisors

cc: Milwaukee County Board of Supervisors
Southeastern Regional Transit Authority, members
Anita Gulotta-Connelly, Managing Director, Milwaukee County Transit System
### Progress, Billing, and Payment Report

<table>
<thead>
<tr>
<th>Budget Item</th>
<th>Total Contract Amount</th>
<th>Billing Period</th>
<th>Amount Invoiced</th>
<th>Amount Paid</th>
<th>Outstanding Invoices</th>
<th>Remaining Contract</th>
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<tbody>
<tr>
<td>Mueller Communications - 1-month</td>
<td>$12,000.00</td>
<td>Dec. '09</td>
<td>$12,257.74</td>
<td>$12,257.74</td>
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<tr>
<td>Mueller Communications team - 4-month</td>
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<td>1,022.20</td>
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<tr>
<td>Services</td>
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<tr>
<td>Expenses</td>
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<td>3,716.53</td>
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<td>Woo Connectionsa</td>
<td>$24,000.00</td>
<td>Jan.-Mar.'10</td>
<td>16,805.67</td>
<td>16,805.67</td>
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<td>7,194.33</td>
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<td>Expenses</td>
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<td>Spreenkler</td>
<td>$10,000.00</td>
<td>Jan.-Mar.'10</td>
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<td>Direct Mail Campaign</td>
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<td>40,500.00</td>
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<td>Schreiber and Associates - 4-month</td>
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<tr>
<td>Services</td>
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<td>Expenses</td>
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<td>750.00</td>
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<td>The Shop Consulting (Jim Smith)</td>
<td>$6,000.00</td>
<td>Mar.-Apr.'10</td>
<td>6,000.00</td>
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<tr>
<td>Current KRM Study Funding Requestb</td>
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<td>Remaining Local Match and</td>
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<td>Additional Consultant Work</td>
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<td>SEWRPC Direct Expenses</td>
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<td>7,028.82</td>
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<td>Other</td>
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<td>Dec.'09-Feb.'10</td>
<td>370.00</td>
<td>370.00</td>
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<td>Total</td>
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<td>$182,406.56</td>
<td>$175,377.74</td>
<td>$7,028.82</td>
<td>$56,187.71</td>
</tr>
</tbody>
</table>

a According to the total contract, $8,000 of the Woo Connections budget may potentially be shared with other regional communicators.

b At their March 15, 2010, meeting, the SERTA Board approved expending up to $55,000 to provide the remaining local share of the current KRM study costs, to fund additional consultant work for the KRM project, and to cover direct expenses incurred by Commission staff during the current KRM studies, primarily including study mailings, advertisements, court reporters, and room rental fees associated with public meetings held for the project’s draft environmental impact statement.

### Financial Summary

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
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<tbody>
<tr>
<td>Initial Balance</td>
<td>$1,484,560.64</td>
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<tr>
<td>Total Expenditures</td>
<td>$175,377.74</td>
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<tr>
<td>Total Outstanding Invoices</td>
<td>$7,028.82</td>
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<td></td>
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<tr>
<td>Final Balance</td>
<td>$1,302,154.08</td>
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KRY/EDL
#151331v2
JUSTIFICATION FOR ADDITIONAL DIRECT MAIL CONSULTANT COST

From: Lori Richards [mailto:lrichards@muellercommunications.com]
Sent: Tuesday, May 18, 2010 12:50 PM
To: Lori Richards; Karl J. Ostby; jonh@horizonretail.com; Karls, Joseph F.; lholloway@milwcnty.com;
mmayo@milwcnty.com; ebuford@wrtp.org; chris.d.layden@gmail.com; Julia Taylor; john@eccorp.us
Cc: H.Carl Mueller; Elizabeth Kelly; Yunker, Kenneth R.; Lynde, Eric D.; Angela.Leeper@milwcnty.com; Lee
Holloway (mmcknight@milwcnty.com)
Subject: Sent on behalf of Carl Mueller - budget follow up

Below please find a message from Carl Mueller as a follow up to yesterday’s SERTA meeting. Thank you.

Dear SERTA Board Members:

The postage budget for our direct mail incurred an additional $500 cost that was not anticipated, but the
overall communications budget was not exceeded. The reason for the extra cost was the need to pay the Postal
Service for return postage for postcards mailed back to us. The return cards allowed us to collect a growing number
of citizens interested in the transit issue and interested in staying involved – making it well worth the additional
expense.

Carl
Southeastern Wisconsin Regional Planning Commission  
Staff Costs Related to the  
Southeastern Regional Transit Authority (SERTA)  
January 1, 2010 to April 30, 2010

<table>
<thead>
<tr>
<th>SERTA Interim Alternatives Analysis and New Starts Application Staff Costs</th>
<th>KRM Commuter Rail Staff Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>$26,243</td>
</tr>
<tr>
<td>Staff Hours:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kenneth Yunker</td>
</tr>
<tr>
<td></td>
<td>Eric Lynde</td>
</tr>
<tr>
<td></td>
<td>Others</td>
</tr>
</tbody>
</table>

$^a$If SERTA provides 20 percent funding of these costs, the remaining 80 percent funding can be obtained from the $6.1 million Federal Transit Administration grant for KRM commuter rail planning.
March 19, 2010

Regional Transit Authority
W239 N1812 Rockwood Drive
P.O. Box 1607
Waukesha, WI 53187

Dear Sir or Madam:

Our records indicate that your organization was registered as a lobbying principal with Milwaukee County during 2009.

This is to inform you that, pursuant to Chapter 14 of the Milwaukee County General Ordinances, all organizations that employ or contract with a lobbyist to influence county government must register with the County Clerk as a lobbying principal in each year in which lobbying occurs. Principals must also submit authorization forms for all lobbyists employed or contracted during the calendar year.

If your organization is compensating any individual to engage in the practice of attempting to influence Milwaukee County legislative or administrative actions through communication with county officials during 2010 you are required to register with the County Clerk.

Registration information and registration forms can be found on the County Clerk’s website at: http://www.county.milwaukee.gov/CountyClerk.

If you have any questions, please call my office at 414-278-4067.

Sincerely,

[Signature]

JOSEPH J. CZARNEZKI
Milwaukee County Clerk