MINUTES OF THE EIGHTH MEETING

SOUTHEASTERN REGIONAL TRANSIT AUTHORITY

DATE: July 25, 2011
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
Earl Buford .............................................................................................. City of Milwaukee Representative
Jon Henderson ................................................................................................. Racine County Representative
Lee Holloway ............................................................... Chairman, Milwaukee County Board of Supervisors and Milwaukee County Representative
Chris Layden ............................................................................................ City of Milwaukee Representative
Michael Mayo, Sr. ............................................... Vice-Chairman, Milwaukee County Board of Supervisors and Milwaukee County Representative
Karl Ostby .................................................................................................... Kenosha County Representative
Julia Taylor .......................................................................................................... Governor’s Representative

Board Members Excused
John Antaramian .......................................................................................... City of Kenosha Representative
Joseph “Jody” Karls ........................................................................................... City of Racine Representative

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

Guests
Kelly Bablitch ......................... Assistant Director, Intergovernmental Relations, Milwaukee County Board
James Briggs.................................................................................................................... The Daily Reporter
Roy De La Rosa ...................................... Director, Intergovernmental Relations, Milwaukee County Board
Brian Dranzik...................................................................................................... Director of Administration, Milwaukee County Department of Transportation and Public Works
Jay Hall .................................................................................................................. Midwest Car Corporation
Brian Mitchell.......................................................................................... Spokesperson, Wisconsin Car Rental Alliance
H. Carl Mueller .................................................................................. President, Mueller Communications, Inc.
Alan Richards ........................................................................................................... Mayor, City of St. Francis
Larry Sandler ........................................................................................................... Reporter, Milwaukee Journal-Sentinel
Karen Schmiechen .................Planner, Wisconsin Department of Transportation, Southeast Region
Tiffany Thorne .............................................................. Assistant Account Executive, Zeppos & Associates
Martin Weddle ........................................................................................................ Research Analyst, Milwaukee County Board
ROLL CALL

Chairman Ostby called the meeting to order at 8:15 a.m.

APPROVAL OF AGENDA

A motion to approve the agenda for the meeting as presented was made by Milwaukee County Board Vice-Chairman Mayo, Sr., seconded by Mr. Layden, and carried unanimously by the Board.

REVIEW AND APPROVAL OF MINUTES OF THE MAY 17, 2010, MEETING

A motion to approve the minutes of the August 2, 2010, meeting as presented was made by Milwaukee County Board Vice-Chairman Mayo, Sr., seconded by Mr. Henderson, and carried unanimously by the Board.

REVIEW AND DISCUSSION OF WRITTEN COMMENTS

Chairman Ostby directed the Board to Exhibit A, which included one comment that had been received through the Southeastern Regional Transit Authority (SERTA) website (see Attachment 1 to these minutes).

REPORT ON DISSOLUTION AND WINDING DOWN PROCESS OF SERTA AS PRESCRIBED IN THE 2011-13 WISCONSIN STATE BUDGET

Mr. Yunker directed the Board to Exhibit B, which provided the language in the final approved 2011-13 Wisconsin State budget specifying that SERTA dissolve and transfer its remaining assets and liabilities to Kenosha, Racine, and Milwaukee Counties (see Attachment 2 to these minutes). He indicated that the 2011-13 Wisconsin State budget included language requiring SERTA to wind down by the end of September and to transfer all remaining assets and liabilities in the following manner: 50 percent to Milwaukee County, 25 percent to Racine County, and 25 percent to Kenosha County. He noted that SERTA did not have any liabilities and had assets totaling approximately $1.2 million, which were remaining vehicle rental fee funds transferred to SERTA from the “temporary” and “limited authority” Southeastern Wisconsin Regional Transit Authority. Milwaukee County Board Vice-Chairman Mayo, Sr. and Mr. Layden indicated that they disagreed with the proportions to be transferred to each of the three Counties, but recognized that the SERTA Board did not have the authority to alter those proportions.

A motion to acknowledge receipt and review of the language in the final approved 2011-13 Wisconsin State budget requiring SERTA to dissolve and transfer its remaining assets and liabilities to Kenosha, Racine, and Milwaukee Counties, was made by Milwaukee County Board Vice-Chairman Mayo, Sr., seconded by Mr. Buford, and carried unanimously by the Board.

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

Mr. Yunker stated that the Federal Transit Administration (FTA) staff is aware that SERTA is required to dissolve. He indicated that the Board could withdraw the “New Starts” application submitted to the FTA to enter preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) commuter rail project, and that the Commission staff would notify the FTA staff of the withdrawal. He noted that the Board could alternatively decide not to withdraw the “New Starts” application, but that the FTA would likely deny the
application given that there will no longer exist an authority to construct, manage, and operate a KRM commuter rail line, and that there will be no dedicated local funding source available for KRM commuter rail capital and operating costs.

A motion to request withdrawal of the “New Starts” application submitted to the FTA to enter preliminary engineering for the KRM commuter rail project was made by Milwaukee County Board Vice-Chairman Mayo, Sr. and seconded by Mr. Layden. The following discussion took place regarding the motion:

1. Mr. Layden noted that it may be possible that SERTA would be recreated if the makeup of State elected officials changed with the recall elections. Milwaukee County Board Chairman Holloway noted that the 2011-13 Wisconsin State budget requires the dissolution of SERTA by the end of September, and it may be reasonable to expect reconsideration of SERTA by the State Legislature before then. Ms. Taylor suggested it would be better to withdraw the application than for the FTA to deny the application. Chairman Ostby agreed, and noted that he did not see the need to delay withdrawal of the application.

The Board then unanimously approved the motion to withdraw the application.

CONSIDERATION OF FINANCIAL REPORT

Mr. Yunker drew the Board’s attention to Exhibit C, prepared by the Commission staff to report the invoices received and payments made under the current budget items approved by the Board, and the Board approvals related to funding for additional KRM project planning consultant work (see Attachment 3 to these minutes). He indicated that the remaining contract amount of $47,970, representing the SERTA share of funding approved for additional KRM project planning consultant work, was primarily for the engineering and planning consultant to respond to potential FTA questions and requests for additional analyses in regards to the “New Starts” application. He noted that this work was now complete, and that there were outstanding invoices for the work from the KRM engineering and planning consultant, with a total requested SERTA share of $47,970. He indicated that SERTA would also require final financial audits at an estimated cost of $1,800 to close out SERTA finances prior to the transfer of the remaining balance to Milwaukee, Racine, and Kenosha Counties. He indicated that the estimated final balance to be transferred was provided in the financial report, and that it would likely be slightly higher due to additional interest accrued on the balance.

Milwaukee County Board Vice-Chairman Mayo, Sr. asked whether there were any outstanding invoices for the work conducted by the Commission staff as temporary staff to SERTA. Mr. Yunker responded that there were none and that the Commission staff did not intend to submit any invoices since limited work had been conducted by the Commission staff since the last meeting.

Chairman Ostby requested that the final audits be completed as soon as possible. Mr. Yunker stated that the Commission staff would arrange for the completion of the final audits, transmit the audits when completed to SERTA Board members, and inform Board members of the final balance to be transferred to Milwaukee, Racine, and Kenosha Counties following the audits.

CONSIDERATION OF TRANSFERRING REMAINING ASSETS AND LIABILITIES OF SERTA TO KENOSHA, RACINE, AND MILWAUKEE COUNTIES

Mr. Yunker noted again that the 2011-13 Wisconsin State budget required SERTA to transfer its assets and liabilities to the Counties of Milwaukee, Racine, and Kenosha. He noted that, in addition to SERTA’s assets and liabilities, the Commission staff also held approximately $6 million remaining in an FTA grant for KRM planning and engineering, which the Commission had intended to transfer to SERTA
upon FTA approval to initiate preliminary engineering for the KRM project. Upon such approval, SERTA was to retain staff to direct and conduct the preliminary engineering. He explained that the grant was made up of the Federal earmarks for the KRM project, and was awarded to the Commission to conduct the necessary planning studies for the project, and to hold the remainder of the funding for preliminary and final engineering upon FTA approval to conduct those project phases. He noted that the Commission staff had recently discussed with FTA staff the possibility that the grant could be retained by the Commission in the short term in the case that efforts on the KRM project are resumed in the near future, thus requiring an update to the “New Starts” application requesting entry into preliminary engineering, and the draft environmental impact statement for the project.

Ms. Taylor suggested that the Board request that the FTA allow the Commission to transfer the remaining approximately $6 million in the KRM planning grant to the local public transit systems in Milwaukee, Racine, and Kenosha Counties. Milwaukee County Board Chairman Holloway agreed, indicating that he would support keeping the funds in Southeastern Wisconsin and using the funds to maintain and improve the local transit systems.

A motion to request the Federal Transit Administration to permit the Southeastern Wisconsin Regional Planning Commission to transfer the approximately $6 million remaining in a KRM planning grant, to the local public transit systems in Milwaukee, Racine, and Kenosha Counties for their use, was made by Ms. Taylor, seconded by Milwaukee County Board Vice-Chairman Mayo, Sr., and carried unanimously by the Board.

[Secretary’s Note: On July 26, 2011, Chairman Ostby sent a letter to the FTA requesting that the KRM commuter rail “New Starts” application be withdrawn and that the approximately $6 million remaining in a KRM planning and engineering grant be allowed to be transferred to the local public transit systems in Milwaukee, Racine, and Kenosha Counties. On July 28, Milwaukee County Board Chairman Holloway sent a similar letter to the FTA. On August 1, FTA Administrator Peter Rogoff sent a letter in response to Milwaukee County Board Chairman Holloway, acknowledging that the FTA had received the request to withdraw the KRM “New Starts” application and stating that the FTA could not legally allow the Commission to transfer the remainder of funds in the KRM grant to local transit operators. He further pronounced that all unexpended funds in the KRM grant were to be withdrawn. On August 8, FTA Region V Administrator Marisol Simón sent a similar letter in response to Chairman Ostby. All four letters are included in Attachment 4 to these minutes.]

Chairman Ostby noted that a total of $15 million in Federal Highway Administration Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding had been awarded for KRM project final engineering and construction. He indicated that since SERTA is now to be dissolved, and the timeline for the KRM project will be pushed back indefinitely, the $15 million in total CMAQ funds approved for the KRM project would become available for other projects in the State of Wisconsin. He noted that it was unfortunate that about $21 million in funding for the KRM project—$15 million in CMAQ funding and about $6 million remaining in an FTA grant—would not be used for the project. He indicated that he believed the KRM project would be beneficial to Southeastern Wisconsin, better linking Kenosha, Racine, and Milwaukee Counties to the Chicago metropolitan area. He thanked the Board, the Commission staff, the Wisconsin Department of Transportation staff, Mueller Communications, and the other consultants for SERTA and the KRM project, for their work. Ms. Taylor expressed her disappointment that SERTA was to be dissolved, stating that transportation needs still exist in Southeastern Wisconsin, and that there remains a need to continue to work to address those needs. Milwaukee County Board Chairman Holloway indicated that he had appointed himself to SERTA to protect the interests of Milwaukee County, and that it has been his priority to address the issues faced by
the Milwaukee County Transit System (MCTS), but noted that he is supportive of improve public transit like the KRM commuter rail project.

**ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 8:40 a.m. on a motion by Mr. Buford, seconded by Mr. Henderson, and carried unanimously by the Board.

Respectfully submitted,

Kenneth R. Yunker  
Recording Secretary
Dear SERTA: My name is Barry Weber and I am 29-year-old teacher in Milwaukee, Wisconsin. I love Milwaukee and I love Wisconsin, but I admit that I am growing restless with the fact that Milwaukee and its surrounding areas have such an uphill struggle to attain solid transit infrastructure. I have no desire to spend my savings on a vehicle and would rather invest in paying off my college debts and saving for the future with my fiance (my finance also relies on transit due to a vision handicap). As our newly-elected governor appears openly (and even proudly) anti-transit, my fiance and I find ourselves looking to move to other cities/states whose governments are willing to recognize the importance of mass transportation. I ask you with all the power you have to continue to create and implement transit opportunities for young people like myself, people who feel that mass transportation is the lifeblood of a city. Thank you, Barry Weber

*   *   *
2011 Southeastern Regional Transit Authority Dissolution and Winding Down Process Legislation—Section 59.58 (7) Wisconsin Statutes

**SECTION 1679h.** 59.58 (7) of the statutes, as affected by 2011 Wisconsin Act ... (this act), is repealed.

**SECTION 1679p.** 59.58 (7) (e) (intro.) of the statutes is amended to read:

59.58 (7) (e) (intro.) The Subject to s. 77.9973 (2), the authority may impose the fees under subch. XIII of ch. 77. From the fees, the authority may do all of the following:

**SECTION 1679t.** 59.58 (7) (i) and (j) of the statutes are repealed.

**SECTION 9148.** Nonstatutory provisions; Transportation.

(3u) DISSOLUTION AND WINDING DOWN OF TRANSIT AUTHORITIES.

(a) Any authority created under section 66.1039, 2009 stats., is dissolved on the effective date of this paragraph.

(b) The authority under section 59.58 (7), 2009 stats., is dissolved on the effective date of this paragraph.

(c) After the effective date of this paragraph, the counties of Kenosha, Racine, and Milwaukee, and all members of the governing body of the authority under section 59.58 (7) of the statutes, shall begin the process of winding down the authority and shall complete the process by the time the authority is dissolved as provided in paragraph (b). All assets and liabilities of the authority under section 59.58 (7), 2009 stats., including any accumulated moneys received from the fees imposed under subchapter XIII of chapter 77 of the statutes, shall become the assets and liabilities of the counties of Kenosha, Racine, and Milwaukee and shall be divided and distributed as follows:

1. Fifty percent to Milwaukee County.
2. Twenty-five percent to Kenosha County.
3. Twenty-five percent to Racine County.

**SECTION 9448.** Effective dates; Transportation.

(6u) TRANSIT AUTHORITIES.

(a) The treatment of sections 59.58 (7) (e) (intro.), (i), and (j) and 66.1039 (4) (s) 1. of the statutes, the renumbering of section 77.9973 of the statutes, and the creation of sections 77.708 (3) and 77.9973 (2) of the statutes and SECTION 9148 (3u) (c) of this act take effect on the 10th day after the day of publication.

(b) The treatment of sections 20.566 (1) (gc) and (gh), 20.835 (4) (gc) and (gh), 32.02 (11), 32.05 (1) (a), 32.07 (2), 40.02 (28), 59.58 (6), 66.0301 (1) (a) (by Section 1720b), 66.0903 (1) (d), 67.01 (5), 70.11 (2), 71.05 (1) (c) 9., 71.26 (1) (b), 71.26 (1m) (j), 71.45 (1t) (j), chapter 77 (title) (by Section 2177m), 77.54 (9a) (er), subchapter V (title) of chapter 77, 77.71, 77.73 (2) and (3), 77.75, 77.76 (1), (2), (3r), (4), and (5), 77.77 (1) and (3), 77.78, subchapter XIII (title) of chapter 77, 77.9971, 77.9972, 85.062 (3) (c), 85.063 (3) (b) 1., 85.064 (1) (b), 111.70 (1) (j), 345.05 (1) (ag), 345.05 (2), and 611.11 (4) (a) of the statutes, the repeal of sections 59.58 (7), 66.1039, 77.708, and 77.9973 of the statutes, and SECTIONS 3567m and 9148 (3u) (a) and (b) take effect on the 90th day after the day of publication.
## Progress, Billing, and Payment Report

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### Financial Summary

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<td>Total Outstanding Invoices</td>
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<td>Final Balance</td>
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a 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 $7,028.82 in 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. At their May 17, 2010, meeting, the SERTA Board approved funding 20 percent of the $7,028.82 in direct expenses, directing Commission staff to seek the remaining 80 percent from an Federal Transit Administration grant for the KRM project.

b At their May 17, 2010, meeting, the SERTA Board approved funding 20 percent of the $15,299 in Commission salary expenditures from January through April of 2010 for work as project manager for the KRM project. The Board directed Commission staff to seek the remaining 80 percent from an Federal Transit Administration grant for the KRM project.

c Two financial audits, with an approximate cost of $900 per audit, are to be conducted upon approval by the SERTA Board at their July 25, 2011, meeting. The two audits would include an audit of the year 2010 finances of SERTA, and a close-out audit of SERTA finances through the period ending upon the formal dissolution of SERTA by approximately the end of September, 2011, per the year 2011-2013 Wisconsin State budget.

d Other expenses include meeting room charges for the Sijan Room in the Mitchell Museum of Flight at General Mitchell International Airport for SERTA Board meetings in 2009, 2010, and 2011, and a paid newspaper advertisement in the Milwaukee Journal Sentinel which was published on August 9, 2010, for a request for proposals/qualifications for a SERTA communications consultant.

e Amount of final balance is approximate, and will be finalized upon completion of a close-out audit of SERTA finances. The precise final balance will then be transferred to the Counties of Milwaukee (50%), Racine, (25%), and Kenosha (25%) per the year 2011-2013 Wisconsin State budget.
compromise that would allow transit legislation to be passed. He noted that Representative Stone was in
attendance for the entire Assembly Bill 723 hearing, and appears to understand what is at stake if the
legislation does not pass during the current legislative period.

REPORT BY MUELLER COMMUNICATIONS ON COMMUNICATIONS STRATEGY

Mr. Mueller directed the Board to a handout on media coverage relating to SERTA, in particular to the
Assembly Bill 723 hearing (see Attachment 2 to these minutes). He indicated that Mueller
Communications had made a significant effort to turn out a broad-based coalition of supporters for the
hearing. He noted that the legislation is moving forward, but the question is whether it will move quickly
enough to be passed during the current legislative period, which ends April 22. He indicated that support
from within the Region would be essential in getting the transit legislation passed. He noted that the effort
to conduct direct mail outreach to current and likely transit supporters and users was underway, and that
mailings had been distributed prior to this meeting.

Milwaukee County Board Chairman Holloway indicated he had concerns about the communications and
lobbying efforts, stating that he wanted to focus SERTA lobbying expenditures on the proposed transit
legislation and its passage. He suggested, and the Board agreed, that he discuss his concerns with
Chairman Ostby and Mueller Communications after the meeting, in an effort to work together on the
proposed transit legislation.

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 3 to
these minutes). He indicated that Commission staff would propose presenting a similar financial report to
the Board at each meeting, to show the Board the expenditures being made on behalf of SERTA.
Milwaukee County Board Chairman Holloway thanked Commission staff for preparing and presenting
the financial report to the Board, and recommended that the Treasurer for SERTA, Milwaukee County
Supervisor Mayo, Sr., should review all invoices. Mr. Layden agreed, and suggested that Commission
staff submit any invoices to be paid by SERTA to the Treasurer for review and approval. Mr. Yunker
agreed, and noted that all future invoices would be transmitted to the SERTA Treasurer for approval
before payment. Mr. Yunker added that a close-out audit for the former “temporary”, “limited authority”
regional transit authority (RTA) would soon be completed, and that Commission staff is in the process of
creating a bank account for SERTA and transferring all assets of the former RTA to SERTA.

Milwaukee County Board Chairman Holloway suggested that Commission staff should prepare a
proposal for payment for the work that Commission staff does as temporary staff to SERTA, for the
Board to consider at its next meeting. Chairman Ostby indicated that he agreed, noting that Commission
staff does a significant amount of work for the Board.

CONSIDERATION OF REQUEST TO MODIFY APPROVED REQUEST TO FUND
REMAINDER OF LOCAL SHARE OF CURRENT KRM STUDY COSTS

Mr. Yunker drew the Board’s attention to Exhibit C, and noted that an Intergovernmental Partnership had
been working to complete the necessary technical studies for the KRM project, and that the current
studies were being funded with $800,000 in Federal funds, $100,000 in State funds, and $100,000 in local
in-kind staff efforts from each of the Cities and Counties of Kenosha, Milwaukee, and Racine (see
Attachment 4 to these minutes). He stated that at their December 18, 2009, meeting, the Board had
approved a request from the Intergovernmental Partnership to provide the remaining local match – up to
$55,000 – that was not funded by local in-kind staff efforts. He noted that current estimates indicate that
about $32,500 would be needed from SERTA to fund this remaining local match. Mr. Yunker continued noting that consultant staff has had to perform work beyond the scope of work of the original contract, and will likely need to conduct additional work to respond to FTA questions upon submittal of the “New Starts” application to the Federal Transit Administration (FTA). He stated that Commission staff would propose using the remaining $22,500 to match $90,000 in Federal funds from an FTA grant now held by the Commission for KRM planning engineering, which would fund the additional consultant work needed and $7,000 in direct expenses, incurred by Commission staff during the current KRM studies. Mr. Yunker noted that approving the request would not result in SERTA expending any additional funds beyond the $55,000 previously approved. A motion to approve the request was made by Milwaukee County Supervisor Mayo, Sr., seconded by Mr. Karls, and carried unanimously by the Board.

CONSIDERATION OF REQUEST FOR QUALIFICATIONS/PROPOSALS FOR A COMMUNICATIONS CONSULTANT

Mr. Yunker drew the Board’s attention to Exhibit D, prepared by Commission staff in response to a request from the Board at the last meeting, which presented a draft request for qualifications/proposals (RFQ/P) for the hiring of a communications consultant subsequent to the conclusion of the four-month Mueller Communications contract at the end of April, 2010 (see Attachment 5 to these minutes). Milwaukee County Board Chairman Holloway suggested that the Board defer the approval and issuance of the RFQ/P since the need for a communications consultant subsequent to the conclusion of the four-month Mueller Communications contract was dependent on the passing of the transit legislation by the end of the current legislative period on April 22, 2010. He noted that if needed, the Board could extend the Mueller Communications contract for an additional month, while a communications consultant search was conducted in late April and May. Chairman Ostby agreed and suggested a one-month contract extension be for the current monthly contract amount. A motion to extend the Mueller Communications contract for one-month at the current monthly contract amount was made by Milwaukee County Board Chairman Holloway and seconded by Milwaukee County Supervisor Mayo, Sr. Mr. Henderson suggested that the consideration of extending the Mueller Communications contract be postponed until the next meeting, since the results of the transit legislation will then be known. Milwaukee County Board Chairman Holloway and Milwaukee County Supervisor Mayo, Sr. agreed to withdraw their motion, and postpone the consideration of a one-month Mueller Communications contract extension until the next meeting.

Mr. Yunker indicated that a draft schedule for the hiring of a communications consultant based on Board consideration of the draft RFQ/P at this meeting, along with a draft list of potential firms to receive the RFQ/P, had been distributed to the Board (see Attachments 6 and 7 to these minutes). He stated that the schedule would now need to be revised. He also indicated that Commission staff would appreciate Board suggestions on modifications and additions to the RFQ/P and to the list of potential firms to receive the RFQ/P.

CORRESPONDENCE AND ANNOUNCEMENTS

Chairman Ostby asked Mr. Yunker to provide an update on the “New Starts” application to the FTA for the KRM commuter rail project. Mr. Yunker stated that the consultant is nearing completion of the New Starts application and is scheduled to provide the application to the Board before the next meeting.

Mr. Buford, referring to a request he made at the January 11, 2010, meeting, asked if information regarding the type of jobs in the corridor between Milwaukee and Chicago could be provided to the Board. Chairman Ostby stated that the topic of jobs has been very important in the State legislature, and indicated that one source on jobs in the corridor was an economic impact study of KRM commuter rail conducted in 2007 at UW-Milwaukee. Milwaukee County Board Chairman Holloway asked if Mueller...
MODIFIED REQUEST FOR SERTA TO FUND REMAINDER OF LOCAL SHARE OF CURRENTKENOSHA-RACINE-MILWAUKEE (KRM) COMMUTER RAIL STUDY COSTS

A technical study with a total cost of $900,000 is underway to prepare the necessary “New Starts” application to the Federal Transit Administration (FTA) to enter preliminary engineering and potentially obtain a Federal discretionary grant for the KRM project’s capital funding. This study includes a transit alternatives analysis comparing KRM commuter rail to an express bus alternative. This study is being guided by an Intergovernmental Partnership consisting of the Cities and Counties of Kenosha, Milwaukee, and Racine, the Wisconsin Department of Transportation, and the Southeastern Wisconsin Regional Planning Commission. The Intergovernmental Partnership was created to advance the KRM commuter rail project by conducting the necessary technical studies in anticipation of the creation of a permanent regional transit authority to construct, operate, and manage a KRM commuter rail line. The Regional Planning Commission acts as staff to the Intergovernmental Partnership, managing a consultant team which has been conducting the current KRM study.

The current study has been funded in part by $800,000 in Federal funds from a $6.9 million FTA grant. These Federal funds may be used for 80 percent of the total study cost and require State and/or local funds for the remaining 20 percent. The FTA grant is held by SEWRPC, on behalf of the former “temporary”, “limited authority” regional transit authority, and now on behalf of the Southeastern Regional Transit Authority (SERTA). The other funding for the current study includes $100,000 in State of Wisconsin funds, with an additional $100,000 local match to be provided jointly by the Cities and Counties of Kenosha, Milwaukee, and Racine. This $100,000 local match was envisioned to be provided if possible by in-kind staff services, with any remaining local match needed to be provided in cash by the Cities and Counties of Kenosha, Milwaukee, and Racine.

At its December 18, 2009, meeting, the SERTA Board approved a request from the Intergovernmental Partnership to provide the remaining local match at that time for the current KRM study – up to $55,000 – which was not yet funded by in-kind staff efforts and would otherwise need to be provided in cash by the Cities and Counties of Kenosha, Milwaukee, and Racine. As of March 8, 2010, these six units of government have now provided a total of about $67,500 in in-kind services, leaving about $32,500 which would be provided in cash by SERTA. There is a continuing need for SERTA to provide this remaining local match.

Moreover, in conducting the current studies, consultant staff has had to perform work above and beyond the scope of work of the original $900,000 efforts. In addition, there will be a need by the consultant to conduct additional work to respond to FTA questions upon submittal of the “New Starts” application.

Of the SERTA-approved $55,000, about $32,500 would be used to provide the local match which would otherwise need to be provided in cash by each of the Cities and Counties of Kenosha, Milwaukee, and Racine. Commission staff would propose that the remaining $22,500 be used as a local match to $90,000 in Federal funds from the approximately $6.1 million remaining in the FTA grant now held by SEWRPC. These funds would then be used to fund this additional consultant work, as well as cover direct expenses which have been incurred by Commission staff during the current KRM studies. The direct expenses currently total about $7,000, and primarily include study mailings, advertisements, court reporters, and room rental fees associated with public meetings held for the project’s draft environmental impact statement.

* * *
July 26, 2011

Ms. Marisol R. Simon  
Regional Administrator  
Federal Transit Administration, Region V  
U.S. Department of Transportation  
200 West Adams Street, Suite 320  
Chicago, IL 60606

Re: Request to Initiate Preliminary Engineering: KRM Commuter Rail Project

Dear Ms. Simon:

The Southeastern Regional Transit Authority (SERTA) hereby requests that its previously submitted application for the proposed Kenosha-Racine-Milwaukee (KRM) Commuter Rail project be withdrawn and not considered by the Federal Transit Administration (FTA) at this time. This application was submitted to the FTA on June 24, 2010, and requested permission to initiate preliminary engineering for the KRM project. The SERTA Board of Directors, at their meeting held on July 25, 2011, acted unanimously to request that the application be withdrawn as a result of the recent action by the Wisconsin State Legislature and Governor to dissolve SERTA. Given this dissolution, there no longer exists an authority to construct, manage, and operate a KRM commuter rail line, and as well there will be no dedicated local funding source available for the line.

The SERTA Board of Directors also acted unanimously to request that the FTA permit the Southeastern Wisconsin Regional Planning Commission to transfer the approximately $6 million remaining in a KRM project grant (WI-03-0094), to the local public transit systems in Milwaukee, Racine, and Kenosha Counties for their use. This grant is currently held by the Regional Planning Commission, which had intended to transfer the grant to SERTA upon FTA approval to initiate preliminary engineering for the KRM project.

We appreciate all the assistance and guidance provided to date by FTA staff on this project.
If you have any questions regarding this request, or about the KRM Commuter Rail project, please do not hesitate to contact me.

Sincerely,

Karl J. Ostby  
Chairman, Southeastern Regional Transit Authority

KJO/EL/dad

cc:  Ms. Sherry Riklin, Acting Associate Administrator for Planning and Environment  
    Mr. R. Stewart McKenzie, Region 5  
    Mr. Kenneth R. Yunker, P.E., Executive Director, Southeastern Wisconsin  
    Regional Planning Commission
July 28, 2011

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

Federal Transit Administration, Region V
Ms. Marisol R. Simón, Regional Administrator
U.S. Department of Transportation
200 West Adams Street, Suite 320
Chicago, IL 60606

Dear Mr. Rogoff and Ms. Simón,

The Southeastern Wisconsin Regional Planning Commission (SEWRPC) currently holds about $6 million in a project grant (WI-03-0094) that it had intended to transfer to the Southeastern Regional Transit Authority (SERTA) upon Federal Transit Administration (FTA) approval of preliminary engineering for the Kenosha-Racine-Milwaukee (KRM) project. Per the adopted 2011-2013 Wisconsin State Budget, SERTA has been disbanded.

At the Monday, July 25, 2011, final meeting, SERTA withdrew its application to enter preliminary engineering for the proposed KRM Commuter Rail Project. Additionally, SERTA acted unanimously to request that the FTA permit SEWRPC to transfer the remaining funds in the project grant to the local public transit systems in the counties of Milwaukee, Racine, and Kenosha. Your approval of this appeal is requested.

The transfer of these resources to local bus systems is vital since the Milwaukee County Transit System (MCTS) faces a $7 million reduction in State operating assistance next year. SEWRPC has estimated that this decrease will translate into either an 8% reduction in transit service or a 29% increase in bus fare for MCTS.

- A cash fare increase of this magnitude, from $2.25 to $2.90 per trip, would make Milwaukee County’s local bus fare the highest among transit systems of similarly sized metropolitan areas.
- Transit services reductions could include the elimination of Freeway Flyers, Summerfest Shuttles, and major bus routes.

Given the tight property tax levy restrictions in the biennial State budget, Milwaukee County will be forced to consider these types of fare increases or service reductions unless MCTS receives additional federal transit revenues. Fare increases and service reductions of this size would be devastating to employers, employees, working families, persons with disabilities and seniors, all who rely heavily on transit.

Your support of this SERTA request would help Milwaukee County mitigate the pending transit reductions. Together, we can work to prioritize transit as the economic engine of Southeastern Wisconsin.

Sincerely,

Lee Holloway
Chairman, Milwaukee County Board of Supervisors

Attachments

Courthouse - Room 201 • 901 North 9th Street • Milwaukee, WI 53233
Phone: 414-278-4261 • Fax: 414-223-1935 • E-Mail: lholloway@milwcnty.com
July 26, 2011

Ms. Marisol R. Simon
Regional Administrator
Federal Transit Administration, Region V
U.S. Department of Transportation
200 West Adams Street, Suite 320
Chicago, IL 60606

Re: Request to Initiate Preliminary Engineering: KRM Commuter Rail Project

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The Southeastern Regional Transit Authority (SERTA) hereby requests that its previously submitted application for the proposed Kenosha-Racine-Milwaukee (KRM) Commuter Rail project be withdrawn and not considered by the Federal Transit Administration (FTA) at this time. This application was submitted to the FTA on June 24, 2010, and requested permission to initiate preliminary engineering for the KRM project. The SERTA Board of Directors, at their meeting held on July 25, 2011, acted unanimously to request that the application be withdrawn as a result of the recent action by the Wisconsin State Legislature and Governor to dissolve SERTA. Given this dissolution, there no longer exists an authority to construct, manage, and operate a KRM commuter rail line, and as well there will be no dedicated local funding source available for the line.

The SERTA Board of Directors also acted unanimously to request that the FTA permit the Southeastern Wisconsin Regional Planning Commission to transfer the approximately $6 million remaining in a KRM project grant (WI-03-0094), to the local public transit systems in Milwaukee, Racine, and Kenosha Counties for their use. This grant is currently held by the Regional Planning Commission, which had intended to transfer the grant to SERTA upon FTA approval to initiate preliminary engineering for the KRM project.

We appreciate all the assistance and guidance provided to date by FTA staff on this project.
Ms. Simon  
Page 2  
July 26, 2011  

If you have any questions regarding this request, or about the KRM Commuter Rail project, please do not hesitate to contact me.

Sincerely,

Karl J. Ostby  
Chairman, Southeastern Regional Transit Authority

KJO/EL/dad  

cc: Ms. Sherry Riklin, Acting Associate Administrator for Planning and Environment  
   Mr. R. Stewart McKenzie, Region 5  
   Mr. Kenneth R. Yunker, P.E., Executive Director, Southeastern Wisconsin Regional Planning Commission
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Source: SEWRPC
Mr. Lee Holloway  
Chairman  
Milwaukee County Board of Supervisors  
901 North 9th Street, Room 201  
Milwaukee, WI 53233

Dear Mr. Holloway:

The Federal Transit Administration (FTA) received your letter of July 28 requesting withdrawal of the Kenosha-Racine-Milwaukee (KRM) Commuter Rail project. Your letter also indicated a request to transfer the approximately $6 million in Federal funding remaining in a KRM grant (WI-03-0094) to local transit systems in Milwaukee, Racine, and Kenosha Counties for their use.

Unfortunately, FTA cannot allow the Southeastern Wisconsin Regional Planning Commission to redirect these funds. These funds are non-transferrable and were allocated by law exclusively to the KRM project by name through the FTA’s New Starts program under section 5309 of title 23, United States Code. This program supports only locally-planned and implemented “fixed guideway” capital investments (i.e., commuter rail).

The Obama Administration has made historically high funding commitments to public transit from the Federal level. We have also presented policy proposals to Congress to specifically accommodate the need for greater operating funding for transit agencies facing financial hardship. During Fiscal Year 2010, FTA provided over $100 million in discretionary funds and formula-based programs to transit operators in Wisconsin. In 2009, FTA provided a special infusion of an additional $82 million in funding for these agencies through the American Recovery and Reinvestment Act (ARRA). However, we may not, as a matter of law, transfer these KRM funds to local transit operators. As such, all unexpended funds for the KRM project have been withdrawn.

Thank you for your interest in this program. If I can provide further information or assistance, please do not hesitate to contact me directly at (202) 366-4040.

Sincerely yours,

Peter Rogoff

cc: Kenneth Yunker  
Southeastern Wisconsin Regional Planning Commission
August 8, 2011

Karl J. Ostby, Chairman
Southeastern Regional Transit Authority
W239 N1812 Rockwood Drive, PO Box 1607
Waukesha, WI 53187

RE: Kenosha-Racine-Milwaukee Commuter Rail Withdrawal Request

Dear Mr. Ostby:

Thank you for your letter dated July 26, 2011 requesting withdrawal of the Kenosha-Racine-Milwaukee (KRM) Commuter Rail project. Your letter also indicated the request to transfer the approximately $6 million in federal funding remaining in an FTA grant to local transit systems in Milwaukee, Racine and Kenosha Counties for their use.

Pursuant to Section 165 of the Consolidated Appropriations Act, 2010 (Pub. L. 111-117), Section 5309 New Starts funds that are recovered (deobligated) from a grant and available for reallocation can be directed only to other eligible new starts projects. This provision was carried forward for purposes of Fiscal Year 2011 pursuant to the Department of Defense and Full-Year Continuing Appropriations Act, 2011 (Pub. L. 112-10). Consequently, all unexpended funds for the KRM project will be withdrawn.

Therefore, the remaining funds cannot be utilized for transit operations in the Southeastern Wisconsin Region. FTA will continue to provide all appropriately apportioned federal funding for the enhancement of public transportation, resulting in a variety of locally planned, constructed, and operated public transportation systems throughout the region. If I can provide further information or assistance, please do not hesitate to contact me directly at (312) 353-2790.

Sincerely,

Marisol Simon, Regional Administrator
Federal Transit Administration, Region V

Cc: Kenneth Yunker, SEWRPC
    Cecelia Comito, FTA
    Rhonda Reed, FTA
    R. Stewart McKenzie, FTA