

Utilities Committee

Thursday, July 5, 2018

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1 The Meeting of the Utilities Committee was called to order at 7:00 p.m. on Thursday, July 5,
2 2018. It was noted that the meeting had been announced and a notice posted at City Hall.

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4 Roll call was taken, with the following members present: Ald. Jerry Every, Ald. Jim Olson,
5 Village of West Salem Trustee Leroy Brown. Ald. Kim Smith arrived with the meeting in
6 progress.

7
8 Also Present: City Administrator Eric Rindfleisch, Financial Services Director/Treasurer Fred
9 Buehler

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11 Excused Absence: Village of Holmen Trustee Brandon Cain

12
13 **Item 2 – Approval of minutes from the previous meeting**

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15 Motion by Ald. Olson, second by Ald. Every, to approve the minutes from the previous meeting
16 as printed and on file in the City Clerk’s Office.

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18 On voice vote, motion carried.

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20 **Item 3 – Public Input (limited to 3 minutes/individual)**

21
22 Ald. Every called three times for anyone wishing to provide public input and closed that portion
23 of the meeting.

24
25 **Consideration and possible action on the following items:**

26
27 **Item 4 – MASS TRANSIT**

- 28
29 a. Shared Ride Transit:
30
31 1. **Public Hearing: Approximately 7:00 P.M. (or immediately following Public**
32 **Input)** – Program of Projects Hearing for the Onalaska-Holmen-West Salem Shared
33 Ride Program for 2018

34
35 Ald. Every called for anyone wishing to provide public input for the Program of Projects Hearing
36 for the Onalaska-Holmen-West Salem Shared Ride Program for 2018 and closed that portion of
37 the meeting.

38
39 Fred asked Ald. Every to accept a motion that the committee had the public hearing and there
40 was no one speaking either for or against the public hearing.

41
42 Ald. Every noted no one spoke in favor of or opposition to the Onalaska-Holmen-West Salem
Reviewed 7/10/18 by Fred Buehler

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43 Shared Ride Program for 2018.

44

45 Fred told Ald. Every that the committee should have a motion to accept the Program of Projects,
46 as advertised.

47

48 Ald. Every told Fred, “I don’t think we’re ready for that yet. The public hearing is simply a part
49 of the process, and we have to apply for that.”

50

51 Fred told Ald. Every that during past public hearings the Chair indicates that no one spoke and
52 said, “We should accept the fact that the city had the Program of Projects Hearing with no
53 input.”

54

55 Ald. Every said, “I am going to say that we’ve had a public hearing for input for the Program of
56 Projects Hearing for the Onalaska-Holmen-West Salem Shared Ride Program for 2018. It will
57 come before the Council. If they want to accept it, they can.”

58

59 2. Financials (Justin Running or Jeff Burckhardt/Fred Buehler)

60

61 The May 2018 statistics are as follows:

62

- 63 • **West Salem Trips:** 642 (an increase of 144 from May 2017)
- 64 • **Holmen Trips:** 1,285 (an increase of 144 from May 2017)
- 65 • **Onalaska Trips:** 3,061 (a decrease of 326 from May 2017)
- 66 • **Total Trips:** 4,988 (a decrease of 38, or 0.76 percent, from May 2017)
- 67 • **MTU Passes:** 723 (an increase of 53 from May 2017)
- 68 • **Agency Trips:** 934 (an increase of 87 from May 2017)
- 69 • **Year-to-Date Trips:** 24,368 (a decrease of 542 from May 2017)
- 70 • **Revenue:** \$82,825 (a decrease of \$3,746, or 4.35 percent, from May 2017)

71

72 Fred said, “One thing I wanted to mention that may have skewed a few of these things – and we
73 felt we got it squared away here the last meeting with the provider – is, when is it an Onalaska
74 trip or a Holmen [trip] or a West Salem [trip]. There may have been a little bit of confusion.
75 Wherever the origin is, one of those three is who gets the credit for the trip. If the origin was, for
76 example, at [Valley View] Mall but the destination is one of the three [municipalities], then one
77 of the three will get the credit. There was a little bit of confusion as to who was getting it, which
78 may have skewed some of the numbers in the past. I wanted to point that out because I think it’s
79 starting to show a trend now of what’s going on. As you know, it only takes one or two people
80 that ride it religiously who passed away – which West Salem found this out roughly two years
81 ago – that skewed their ridership considerably.”

82

83 Fred addressed the budget process, noting that over the past four or five years the city has

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84 modified its rate per ridership by 25 cents. Fred said it will be time to do so again in 2019 – the
85 city in the past has increased the rate every two years – and he told committee members, “That
86 will do a couple of things. Number one, it will increase the price by a quarter a ride, but it will
87 also decrease the city’s portion of the cost per ride.”

88
89 Motion by Ald. Smith, second by Ald. Olson, to accept the Shared Ride Transit financials.

90
91 On voice vote, motion carried.

92
93 As a point of order, Ald. Smith told Ald. Every, “While I respect your wanting to move the
94 Program of Projects ahead to the [July 10 Common] Council meeting, I think that in this
95 particular case this is an item where it isn’t just the City of Onalaska, but also Holmen and West
96 Salem. It would be important to have a recommendation here so that our partners in this
97 program would have an opportunity to either agree or oppose and have that stated on the record,
98 whereas if we move it directly to Council without a motion they won’t have that opportunity.”

99
100 Ald. Every told Ald. Smith the committee may do that if it so chooses, and he said, “My
101 rationale is I have several comments that I would like to make on that, but I would like to make
102 them at the Council meeting, which I can also do. The fact of the matter is, this program is
103 running now and it is in effect, and we don’t really have any choice but to approve it. I guess
104 when we talk about 2019 I could give my comments then about the Shared Ride Program. As
105 you know, we’ve been talking about it in-depth the last few meetings. And quite frankly, I’ve
106 come to the resolution that we don’t need it. This thing is costing us more money than we’re
107 making. Those are the facts I wanted to point out. But Kim, your point is well-taken if you want
108 to make that motion I will be glad to vote ‘aye.’ ”

109
110 Motion by Ald. Smith, second by Ald. Olson, to accept the Program of Projects for the Onalaska-
111 Holmen-West Salem Shared Ride Program for 2018. (Item 4a1).

112
113 On voice vote, motion carried.

114
115 3. **Resolution 22-2018** – Shared Ride Taxi Program for the City of Onalaska-2019

116
117 Fred told committee members this is the time of year that he presents to the committee a
118 resolution for Shared Ride Taxi Program for the upcoming year. Fred said the city had gone out
119 for Requests for Proposals and noted Richard Running of Running, Inc. had given the city the
120 same rate for 2017 and 2018, and a slight modification to the rate for the years 2019, 2020, and
121 2021. Fred said, “We already have the rates based on the number of hours that we intend to run
122 this service for those years through 2021. With that said, a resolution from the City of Onalaska,
123 since we’re the origin of preparing and being responsible for all the state and federal documents,
124 the intent of the resolution is twofold. Number one, it informs [the Village of Holmen and the
125 Village of West Salem] the City of Onalaska is doing the upcoming year in order to apply under

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126 [Section] 85.20 of the state [Wisconsin Statutes] and Section 9 of the federal. To receive
127 assistance, the city must do a resolution. We have a contract with Richard Running for the next
128 year through 2020. This resolution allows us to get federal and state funding, and it also sets the
129 fact that all the entities through the budget process will be responsible for their share based on
130 ridership of the upcoming year.” Fred told committee members they will see a budget at the
131 August 8 Utilities Committee meeting that will be part of the Administrative Budget process.
132 The budget will show how much federal and state aid the city will receive, the local share, and
133 the amount fares may or may not be modified. Fred referred to the third paragraph of Resolution
134 22-2018 and noted it reads “*The City of Onalaska has awarded a contract to Richard Running,*
135 *d/b/a Running Incorporated for the City of Onalaska.*” This contract is in place until 2020.
136

137 Motion by Ald. Smith, second by Leroy, to approve Resolution 22-2018 – Shared Ride Taxi
138 Program for the City of Onalaska – 2019.
139

140 Ald. Every said, “The ridership revenue, according to the information that I got from Fred, is
141 going down and has been going down the last four years. State aid has been going down for the
142 last three years. Ridership in Onalaska is tanking, and I don’t see any plan for any renewal or
143 any type of rejuvenation to pump that up again. Eight hundred and one thousand, seven hundred
144 and twenty-two dollars last year of what we spent went to this hourly rate, which is \$26.03 to
145 Running. In other words, taking the total number of hours that were billable times the \$26.03.
146 That eats up a lion’s share of that whole budget. If you feel comfortable ... We tax our people in
147 the City of Onalaska \$186,000 this year, and \$188,553 next year. West Salem was \$18,955, and
148 Holmen was \$42,491. We realized a profit of \$69,000 last year. If you think that our share of
149 that would be \$42,000 – if my percentages are right – West Salem’s share would be 17 percent,
150 or \$4,760, that you made out of that. We profited \$69,000. Holmen realized \$17,680. If you’re
151 comfortable going to the taxpayers and saying, ‘For your investment of \$186,000 we lost you
152 some money,’ then I think it’s OK. Obviously that is a service that probably needs to be
153 provided, but I’m not quite so sure there aren’t other people that could provide that service for us
154 – probably a private entity at a better price. Basically this is kind of a public/private partnership
155 the way it is now. But I do think that with all those combination of factors, I don’t see how we
156 can ... Our share will increase next year from \$186,000 to \$188,553 that we’re going to tax our
157 residents. Those are the points I wanted to make, and I’m not so sure, unless I hear otherwise
158 from Fred or somebody else to convince me, my vote is ‘no.’ Those are the points I wanted to
159 make, and I would like to make the same points Tuesday night unless somewhere I’m off the
160 beam here.”
161

162 Fred said, “The key thing in the Shared Ride Program – and it’s regulated by the state – is the
163 local share of the Shared Ride Program must be at least 20 percent. The local share cannot be
164 lower than 20 percent. That is a requirement. We will always be on hook, and you’re hoping to
165 receive 80 percent between the fare rate, federal and state. We can never go below 20 percent.
166 With that said, the federal and state funding ... I wanted to briefly take a look at what the
167 percentages have been between federal and state over the years.” Fred then shared the following

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168 data:

169

170 • **2012:** 55.3 percent

171 • **2013:** 56 percent

172 • **2014:** 55.7 percent

173 • **2015:** 54 percent

174 • **2016:** 55 percent

175 • **2017:** 55 percent

176 • **2018:** 53 percent

177

178 Fred said, “For six years you’re not moving more than a couple percent over all those years,
179 which I think ... For as many years as I’ve been here, I can you there was always the thought
180 there would be less funding coming from the state side for this program. But in fact, if you take
181 a look at the percentages, if the federal is slightly lower the state picks up. It doesn’t move a lot
182 of any percentage, but I wanted to point that out.” Fred then noted that prior to 2015 the City of
183 Onalaska had received nine vehicles and had to pay 20 percent of those vehicles. Fred noted the
184 cost of each vehicle was approximately \$34,000 and said, “We paid 20 percent for all those
185 vehicles. The rest was paid through federal funding. I can tell you through the STP Urban
186 Funding, which we talked about earlier, we weren’t exactly sure because that program was
187 temporarily put on hold. The email that I received on Monday or Tuesday this week, the city is
188 looking at getting six vehicles, and it’s very strong that we will get those six vehicles at, again,
189 20 percent.

190

191 The program is not to make money. It’s a program to provide a service to the people who have
192 no other way of transportation. That’s when the city went into it. If you take a look, Jerry, at
193 where we are today, that’s still higher than it was ... Eight years ago we thought we were doing
194 great, and it’s still better than we are today. The population has not changed a lot for the City of
195 Onalaska. The clientele that many utilize the service ... Anyone can use the service, but the
196 main usage of the service is the elderly. I just wanted to point that out. I’m not for or against it.
197 I’m just here to provide the numbers for you. The other program the city belongs to is the MTU.
198 That is solely paid for by the City of Onalaska – not West Salem, and not Holmen. That service
199 has gone from \$39,000 in 2012 to roughly \$52,000 in 2018.”

200

201 Ald. Smith said, “Coming back onto Council, this is one of the things that I also felt a concern
202 with – maybe for some different reasons. I think first of all, as Councilpeople and
203 representatives of our community, we need to think about what our community wants and needs,
204 and what services they think are important to provide. This is one of the services that certainly
205 we do not have to subsidize. We can choose not to. So I think probably each of us need to listen
206 to our constituents and decide, is public transportation important to our community? I have done
207 that, and I do think it’s important. The next question would be, how do we provide cost-effective
208 public transportation to our community so that we’re spending our tax dollars in the wisest way

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209 possible? Historically we've done that through the MTU system and through the Shared Ride
210 system. The two have worked kind of hand-in-hand, but over the years, due to budget
211 constraints, we did make a decision a few years ago to greatly reduce the MTU service to our
212 community. And I think that the citizens in our community that have bore the biggest part of the
213 burden are the people who are least able to bear the burden. It's easy for us with people who
214 probably have multiple cars in their driveway to just take it for granted that people have a lot of
215 choices for transportation. The truth of the matter is, some of these people are relying on public
216 transportation in order to even have a job at all, so it is important to me. But it's also important
217 to me to find it in a cost-effective manner. And I think since we've reduced the MTU service by
218 doing the donut hole-style service that makes the Shared Ride service even more important.

219
220 If you could find an alternative that would be cost-effective, I would be happy to consider it. But
221 to leave our people without public transportation that's subsidized at all I think would be very,
222 very difficult. We did a huge outrising quite a few years ago, which Jim probably remembers,
223 when we started publicly discussing making changes to our system. I remember vividly many,
224 many, many calls, so I do think this is something that is important to our citizens. But definitely,
225 if we can find a more cost-effective way ... But with all the state and federal aid we're getting to
226 support this, it really helps make it more palatable. But times are changing, and there probably
227 are alternatives. I'm interested to see an alternative. When I know of an alternative that will
228 satisfy the needs of our community I will give it my full attention. Please let me know. But in
229 the meantime, I think we need to stick with the Shared Ride Program."

230
231 Fred noted the 20 percent of the \$835,000 is \$167,000, and he said, "We're sitting at \$182,000."
232 Fred added, "By raising the fare rate, that would be a way to make it less. We will have those
233 numbers presented next meeting."

234
235 Ald. Every noted the city's budget book states \$186,000.

236
237 Fred told Ald. Every he is looking at the approved budget and said management costs were
238 \$2,500 and provider costs totaled \$832,450 for a total of \$834,950.

239
240 Leroy asked if Running Incorporated is a d/b/a (Doing Business As), adding he interprets this to
241 mean it functions as a sole proprietorship.

242
243 Leroy was told yes.

244
245 Ald. Every said, "In answer to Kim, I would just like to say yes, I think that is one of the things
246 we need to do; [specifically], look out for what our residents want. The 2014 long-range
247 planning document did that, and there was indication in there that people were very dissatisfied
248 with it. That's a book that is here in [City Hall]. I do believe there are other services out there
249 that can provide that service. We really haven't looked into it, so we don't know what the
250 alternatives are. But I agree with you that if we could find some or if we would look for some,

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251 all I'm saying is right now this is not a paying enterprise, and it's getting worse. Our ridership is
252 tanking in Onalaska, so if we're concerned about providing it for our citizens in Onalaska they
253 aren't on the same boat we're on, because they're not riding. But at any rate, that was what I
254 wanted to say."

255
256 Fred said, "This is not an Enterprise Fund. This is what we call a Special Revenue Fund, so an
257 Enterprise Fund I agree with you 100 percent it's supposed to be self-sustaining. That's the
258 intent of having the rates accordingly. But this is a Special Revenue Fund, unlike an Enterprise
259 Fund."

260
261 Ald. Every said, "I don't care what it's called. One of our responsibilities is fiscal. That's the
262 big one, and that's what I'm looking at."

263
264 On voice vote, motion carried, 3-1 (Ald. Every).

- 265
266 4. Disadvantage Business Enterprise (DBE) requirements:
267 a. DBE Program Plan
268 b. City of Onalaska methodology

269
270 Fred said he had included this item on the agenda because he had obtained information in
271 reference to the methodology the city utilized, and he told committee members, "We have heard
272 nothing, so there is nothing more to report."

- 273
274 b. MTU Transit financials (Jim Krueger)

275
276 Fred told committee members he had contacted Jim Krueger by email and informed him the
277 statistics he had provided had duplicated 2017 and 2018. Fred said Jim told him he likely was
278 correct and promised to look into this. However, Jim has not yet contacted Fred.

- 279
280 c. Holmen Transit Input (Holmen Rep.)

281
282 No report.

- 283
284 d. West Salem Transit Input (West Salem Rep.)

285
286 Leroy asked what, if any, advertising either the City of Onalaska or Running, Inc. had done.

287
288 Fred promised Leroy he would attempt to find out and report back at the August 8 Utilities
289 Committee meeting.

290
291 Leroy said he is reluctant to provide input when resolutions are being discussed because they all
292 are titled for the City of Onalaska. Leroy also said, "As far as the program, seeing the numbers

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293 go down is not what we want to see. But I do know it is helping people who otherwise wouldn't
294 have that opportunity. We had this conversation in West Salem a couple years ago; we left and
295 then we came back. I just don't want Onalaska to kind of repeat our mistakes and jump the gun
296 just because the numbers are down, or maybe only slightly depending on how the trips are being
297 recorded. I think there are people who really do need this program, so I think it's a good one to
298 have."

299

300 Ald. Every told Leroy he is an integral part of the committee and also said he is looking at the
301 situation from the City of Onalaska's viewpoint.

302

303 e. Onalaska Transit Input (Onalaska Rep.)

304

305 No report.

306

307 **Item 6 – UTILITIES**

308

309 No report.

310

311 **Adjournment**

312

313 Motion by Ald. Smith, second by Leroy, to adjourn at 7:35 p.m.

314

315 On voice vote, motion carried.

316

317

318 Recorded by:

319

320 Kirk Bey