

Utilities Committee

Wednesday, August 8, 2018

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1 The Meeting of the Utilities Committee was called to order at 7:00 p.m. on Wednesday, August
2 8, 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. Kim Smith,
5 Ald. Jim Olson, Village of Holmen Trustee Brandon Cain, Village of West Salem Trustee Leroy
6 Brown

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

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11 **Item 2 – Approval of minutes from the previous meeting**

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

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16 On voice vote, motion carried.

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

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

22
23 **Consideration and possible action on the following items:**

24
25 **Item 4 – MASS TRANSIT**

26
27 a. Shared Ride Transit:

- 28
29 1. **Public Hearing: Approximately 7:00 P.M. (or immediately following Public**
30 **Input) – Proposed increase in Fares**

31
32 Ald. Every called three times for anyone wishing to speak regarding the proposed increase in
33 fares for Shared Ride Transit and closed that portion of the meeting.

34
35 Fred said he believes his agenda was supposed to read, “Set up a proposed public hearing on a
36 proposed rate increased.” Fred noted the Utilities Committee had not discussed the proposed 25-
37 cent rate increase, and he said, “Tonight, what that should read is: ‘Set up a public hearing for a
38 proposed increase of 25 cents.’ We can discuss it. We have an item on the agenda, but it was
39 not to have a public hearing. Somehow that was overlooked on my end because if you take a
40 look at your packet, the notice below is an agenda item for Utilities meeting scheduled for
41 Wednesday, September 5, at 7:02 p.m. That is, if you [committee members] feel it is OK.

42

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43 The reason we would like to raise the fee is, the practice has been we try to raise it every two
44 years. The information that we'll be talking about later this evening ... you'll see that I have
45 raised it in the years of 2009, 2012, 2015, 2017, and we're proposing it in 2019. I can also tell
46 you there are a couple reasons why I feel we would be sufficient to increase it by a quarter per
47 trip. For those who remember, maybe about three months ago we discussed the fact that the City
48 of Onalaska was a little bit out of the norm as far as cost for ridership compared to other
49 communities within the State of Wisconsin." Fred noted he had talked with a Wisconsin
50 Department of Transportation representative, and he said he was told a 25-cent per ride increase
51 "was not out of the norm" and that WisDOT believes it would be an acceptable increase. Fred
52 added, "By doing that, it puts us, cost per ridership, in a position better than where we have in
53 the past." Fred said he believes the wording on tonight's agenda permits the committee to
54 discuss the proposed rate increase, and that if committee members approve of the increase he can
55 set up the public hearing for the September 5 Utilities Committee meeting.

56

57 Ald. Smith asked if this item can be discussed at the August 14 Common Council meeting as it is
58 not appropriate for the Utilities Committee to take any action this evening due to the way it is
59 worded on the agenda.

60

61 Ald. Every said he does not object to Ald. Smith's proposal, adding he does remember
62 discussing the fare increase.

63

64 Ald. Smith said, "Indirectly."

65

66 Ald. Every said, "If we tentatively approve it, subject to the public hearing, if that would work
67 ..."

68

69 Fred suggested soliciting opinions from both Brandon and Leroy regarding the proposed fare
70 increase.

71

72 Leroy asked if the fare increase can be approved following the September 5 public hearing.

73

74 Fred told Leroy there will be a public hearing regarding the proposed rate increase at the
75 September 5 Utilities Committee meeting.

76

77 Leroy asked if fares ever had decreased in the history of the program.

78

79 Leroy was told no.

80

81 Mayor Chilsen said he believes this item may only appear on the August 14 Common Council
82 agenda as discussion only.

83

84 Fred said he believes the date of the public hearing may be set up at the Common Council

Reviewed 8/13/18 by Fred Buehler

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85 meeting.

86

87 Mayor Chilsen said the Utilities Committee could establish the date of the public hearing and the
88 Common Council may only discuss this item.

89

90 Fred said, "Because it's worded the way it is on the agenda, this committee can't set up the
91 hearing because it's worded that we're having a public hearing."

92

93 City Administrator Rindfleisch said, "If the agenda had been correct you would not be approving
94 the fare increase, but approving having the hearing on September 5 today. Since it's not spelled
95 out that's what the action can be done today, the Council can establish instead the hearing for the
96 same date that this committee would have recommended doing – not approving the fare, but
97 approving having the hearing on September 5 at 7:02 p.m."

98

99 Ald. Every asked, "So it would have to come back to this committee again next month?"

100

101 City Administrator Rindfleisch said the public hearing would be held September 5, and a
102 discussion regarding whether or not to increase the fare would follow.

103

104 For clarification, Ald. Every said the Common Council will vote at its August 14 meeting to set a
105 public hearing date for a proposed increase in fares.

106

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

108

109 The June 2018 statistics are as follows:

110

- 111 • **West Salem Trips:** 605 (an increase of 106 from June 2017)
- 112 • **Holmen Trips:** 1,293 (an increase of 102 from June 2017)
- 113 • **Onalaska Trips:** 2,799 (a decrease of 397 from June 2017)
- 114 • **Total Trips:** 4,697 (a decrease of 189, or 3.87 percent, from June 2017)
- 115 • **MTU Passes:** 658 (an increase of 12 from June 2017)
- 116 • **Agency Trips:** 1,033 (an increase of 219 from June 2017)
- 117 • **Year-to-Date Trips:** 29,065 (a decrease of 731 from June 2017)
- 118 • **Revenue:** \$99,307 (a decrease of \$3,133, or 3.06 percent, from June 2017)

119

120 Motion by Ald. Smith, second by Leroy, to accept the Shared Ride Transit Financials and place
121 them on file.

122

123 On voice vote, motion carried.

124

125 3. Federal Transit Authority 2018 Triennial Review Summary of Preliminary Findings

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126

127 Fred explained that because the City of Onalaska receives federal funding, the federal
128 government hires an outside accountant who reviews the city's records based on federal registry
129 requirements. Fred said the city receives approximately \$253,000 from the federal government
130 and comply with the same regulations as any other municipality regardless of its size. Fred said
131 he felt "pretty good" once the review had been completed, adding he believes the auditors felt
132 the same regarding what needs to be corrected. Fred said he believes the committee will be
133 seeing his responses to the deficiency codes within the next one to two months. Fred noted it
134 must be completed prior to December 10.

135

136 Fred explained that when the City of Onalaska purchases under the State of Wisconsin program,
137 or the state procurement, the city must make a copy in its entirety (approximately 90 pages) as
138 well as perform calculations. Fred told committee members that not only does the federal
139 government review municipalities that run transit, but it also reviews the records kept by each
140 state that is represented. Region V includes Wisconsin, Illinois, and Minnesota, and each state is
141 audited the same as the City of Onalaska. Fred said any errors or omissions funnel down to the
142 City of Onalaska. Fred said he has been attempting to determine since December 2017 whether
143 or not the City of Onalaska needed to do a Disadvantaged Business Enterprise (DBE). Fred
144 noted the city had been contacted in May, also noting the Utilities Committee and the Common
145 Council had voted in June to accept and submit the DBE. Fred said he had received the response
146 earlier Wednesday regarding what type of corrections the city must make, and he said he will
147 submit the corrective actions that the city needs to be take in order to close the deficiencies to the
148 Utilities Committee at its September 5 meeting.

149

- 150 4. Disadvantage Business Enterprise (DBE) requirements:
151 a. Amendment to Running, Inc. Contract for 2019

152

153 Fred said city legal counsel had given him the corrective language necessary to perform an
154 amendment to the contract. Fred noted he had received the corrective language after the agendas
155 had been sent out. Fred explained that when the city went out for a contract in 2016 for 2017
156 and moving forward, the first two years were locked in at \$26.34. Fred said, "The other three
157 years, according to the way the contract is written and the requirement by the state, each one of
158 those next three years is independent." Fred said that in order to satisfy the Wisconsin
159 Department of Transportation, the city will create an amendment each year for the next three
160 years. Fred explained this will be the first amendment, and he said the first amendment refers to
161 all the terms and conditions comply. The rate for 2019 would be \$26.79. This amount would be
162 subject to WisDOT's CPI. Fred said Running, Inc. must comply with all the requirements set
163 forth in the first two years, moving it forward into the third year of the contract.

164

165 Motion by Ald. Olson, second by Ald. Smith, to approve the amendment to Running, Inc.
166 Contract for 2019.

167

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168 Ald. Every asked Fred if the rate of \$26.79 may be changed.

169

170 Fred said Running, Inc. will bid out \$26.79 and explained it is subject to the WisDOT CPI. Fred
171 explained, “As these rates are locked in, they are always subject to the DOT CPI. That’s the
172 only way they can be adjusted.”

173

174 On voice vote, motion carried.

175

176 b. 2019 Shared Ride Transit System Budget Draft

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178 Fred referred to the handout distributed to committee members and noted the cost of the Shared
179 Ride Program is based on the ridership for the months of June, July, and August. Fred referred
180 to the bottom left-hand corner of the budget draft and said Footnote No. 9 utilizes the actual June
181 2018 ridership for the City of Onalaska, the Village of Holmen, and the Village of West Salem,
182 the ridership for each municipality in both July 2017 and August 2017. Fred noted the
183 percentages for each of the three municipalities do not vary much over time. Fred next referred
184 to Footnote No. 8, which shows the 2017 budget, and noted it also shows actual ridership
185 (Onalaska 9,905; Holmen 3,042; West Salem 1,357).

186

187 Fred next addressed the vehicles, noting the city had sold two Shared Ride vehicles in both 2014
188 and 2015. The city sold three vehicles in 2016, and had sold four so far in 2018. Fred said the
189 proposed budget in front of the committee this evening proposes selling two vehicles in 2019.
190 Fred noted the city will not be purchasing any vehicles in 2018 because STP Urban Funding, the
191 program through which the city has purchased vehicles, was put on hold through the State of
192 Wisconsin level. Fred said the proposal is to purchase two vehicles for the next three years
193 through the STP Urban Funding Program. Fred said prior to that the city had requested three
194 vehicles for three years.

195

196 Mayor Chilsen noted that is through the Tech Committee, which is a subcommittee of the LAPC.

197

198 Ald. Every asked if new vehicles will be purchased.

199

200 Fred said yes.

201

202 Fred referred to the 2018 budget and noted there was a proposal to purchase two vehicles in
203 2018. Fred noted there is an 80-20 split – 80 percent is paid by the federal government, and 20
204 percent is paid by the City of Onalaska – and he said 20 percent of the city’s share of two
205 vehicles totaled \$14,000. Fred said those funds will remain in the reserve to be utilized in 2019.
206 Fred referred to the proposed 2019 budget and said the proposal is to purchase one vehicle. Fred
207 added he should know by September or October if the city may purchase two vehicles for the
208 next three years through WisDOT’s STP Urban Funding.

209

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210 Fred referred to the top right-hand corner of the draft budget and told committee members the
211 31,604 hours listed represent the number of hours for all five years the city anticipates running
212 the Shared Ride Program. The following proposed budget figures also were listed:

213

- 214 • **Total operating cost:** \$866,237 (\$863,737 for the provider operating cost, and a \$2,500
215 management fee)
- 216 • **Cost for one vehicle:** \$35,000
- 217 • **Ridership revenue:** \$218,000 (an increase of \$11,000 due to increasing the fares 25
218 cents)
- 219 • **Net projected cost:** \$648,237
- 220 • **Federal share:** \$268,533
- 221 • **Federal share-STP Urban Funding:** \$28,000
- 222 • **State of Wisconsin share:** \$190,572
- 223 • **Local share:** \$189,132
- 224 • **Local share-capital:** \$7,000
- 225 • **MTU contract – base:** \$53,000 (2018 total was \$51,615). Holmen and West Salem’s
226 share is based strictly upon the Shared Ride program and not MTU.
- 227 • **Village of Holmen’s share:** \$43,687
- 228 • **Village of West Salem’s share:** \$20,329
- 229 • **City of Onalaska’s share:** \$185,116

230

231 Fred said state statute dictates that the city either must be equal or over the 20 percent local
232 share. Fred also noted the city always must pay 20 percent of the local share.

233

234 Motion by Ald. Olson, second by Ald. Smith, to approve 2019 Shared Ride Transit System
235 Budget Draft.

236

237 On voice vote, motion carried.

238

239 b. MTU Transit financials (Jim Krueger)

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241 Fred said he had spoken with Jim Krueger, who informed him that the position of Mass Transit
242 Director has been filled. Fred added he feels “very comfortable” MTU Transit will submit its
243 financials both for the first and second quarters at the September 5 Utilities Committee meeting.

244

245 c. Holmen Transit Input (Holmen Rep.)

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247 No report.

248

249 d. West Salem Transit Input (West Salem Rep.)

250

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251 Leroy said the comments he had made during the July 5 Utilities Committee meeting were his
252 personal opinions.

253

254 e. Onalaska Transit Input (Onalaska Rep.)

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256 No report.

257

258 **Item 5 – UTILITIES**

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260 No report.

261

262 **Adjournment**

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264 Motion by Ald. Olson, second by Ald. Smith, to adjourn at 7:35 p.m.

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266 On voice vote, motion carried.

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268

269 Recorded by:

270

271 Kirk Bey