

COUNTY OF MILWAUKEE

INTER-OFFICE COMMUNICATION

DATE: May 20, 2010

TO: Supervisor Lee E. Holloway, County Board Chairman

FROM: Jack H. Takerian, Director, Department of Transportation & Public Works

SUBJECT: Public Hearing – Proposed 2010 Program of Transit Projects
Opening Statement by the Transportation, Public Works & Transit Chairman

As required by the Federal Transit Administration, the Transportation, Public Works and Transit Committee will now conduct a public hearing on the subject of Milwaukee County's proposed 2010 Program of Federally Assisted Transit Projects. This program consists of eleven (11) projects:

- (1) Purchase of Support, Service and Maintenance Equipment
- (2) Replacement of Milwaukee County Transit System (MCTS) Data Processing Equipment
- (3) Heating System Replacement at MCTS Administration Building
- (4) Bus Vacuum System Replacement at Fond du Lac (FDL) Garage
- (5) Air Conditioning Replacement at MCTS Administration Building – Supplemental Funding
- (6) Roof Replacement at FDL Maintenance Building
- (7) Tire Leasing Services
- (8) Capitalized Vehicle Maintenance Activities
- (9) Capital Cost of Contracting for Paratransit Services
- (10) Transit Planning by Milwaukee County Staff
- (11) Transit Planning Activities by SEWRPC

Financial assistance for the 11 projects will be requested under Section 5307 of the Federal Transit Act, as amended.

May 20, 2010

Persons wishing to speak here today on these particular projects should fill out a witness identification card and return it to the clerk.

Prepared by: Steve N. Nigh, Transportation Business Manager

Approved by:

Jack H. Takerian, Director
Dept of Transportation & Public Works

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NOTICE OF PUBLIC HEARING
FOR A PROPOSED 2010 PROGRAM OF
FEDERALLY-ASSISTED TRANSIT PROJECTS
BY MILWAUKEE COUNTY, WISCONSIN

Notice is hereby given that a public hearing will be held by the Transportation, Public Works and Transit Committee of the Milwaukee County Board of Supervisors on June 9, 2010 at 9:00 a.m. in County Board Committee Room 201-B in the Courthouse, 901 North 9th Street, for the purpose of considering a proposed program of transit projects for which federal funding assistance, pursuant to Section 5307 of the Federal Transit Act, as amended, is being sought, generally described as follows:

FEDERAL FUNDING ASSISTANCE AVAILABLE

2010 Apportionment to the Milwaukee Urbanized Area	\$21,311,097
2010 Capital Assistance Available to Washington County	(629,742)
2010 Capital Assistance Available to Ozaukee County	(451,262)
2010 Capital Assistance Available to Waukesha County	(531,446)
2010 Capital Assistance Available to Waukesha Metro	<u>(531,445)</u>
2010 Allocation of Apportionment Available to Milwaukee County	\$19,167,202
Unobligated Balance of Milwaukee County Carryover Funds	4,070,749
Total Federal Section 5307 Funds Available to Milwaukee County	\$23,237,951

PROPOSED 2010 PROGRAM OF TRANSIT PROJECTS FOR MILWAUKEE COUNTY

<u>Project Description</u>	<u>Local Share</u>	<u>Federal Share</u>	<u>Total</u>
(1) Purchase of Support, Service and Maintenance Equipment	\$64,000	\$256,000	\$320,000
(2) Upgrade/Replacement of Data Processing Equipment	\$193,000	\$772,000	\$965,000
(3) Heating System Replacement at MCTS Administration Building	\$80,000	\$320,000	\$400,000
(4) Air Conditioning System Replacement at MCTS Administration Building – Supplemental Funding	\$110,000	\$440,000	\$550,000
(5) Bus Vacuum System Replacement at the Fond du Lac Maintenance Garage	\$115,000	\$460,000	\$575,000
(6) Roof Replacement at the Fond du Lac Maintenance Garage	\$60,000	\$240,000	\$300,000
(7) Tire Leasing Services	\$92,000	\$368,000	\$460,000
(8) Capitalized Vehicle Maintenance Activities	\$4,545,000	\$18,180,000	\$22,725,000
(9) Capital Cost of Contracting for Paratransit Services	\$462,500	\$1,850,000	\$2,312,500
(10) Transit Planning Activities by Milwaukee County	\$50,000	\$200,000	\$250,000
(11) Transit Planning Activities by SEWRPC	<u>\$37,500</u>	<u>\$150,000</u>	<u>\$187,500</u>
TOTALS	\$5,809,000	\$23,236,000	\$29,045,000

At the public hearing, Milwaukee County will afford an opportunity for interested persons or agencies to be heard with respect to the social, environmental, and economic aspects of the projects being proposed. Interested persons may submit oral or written evidence or recommendations with respect to said projects. Written materials may also be submitted to the Milwaukee County Department of Transportation and Public Works - Transportation Planning Division, Suite 300, Milwaukee County-City Campus, 2711 West Wells Street, Milwaukee, Wisconsin 53208 before the date of the hearing.

Detailed information on the projects being proposed is currently available for public inspection in the Milwaukee County Department of Transportation and Public Works - Transportation Planning Division, Suite 300, Milwaukee County-City Campus, 2711 West Wells Street.

If there are no changes to the Proposed Program of Transit Projects, notice is hereby given that the preceding Proposed Program will serve as Milwaukee County's 2010 Program of Federally-Assisted Transit Projects.

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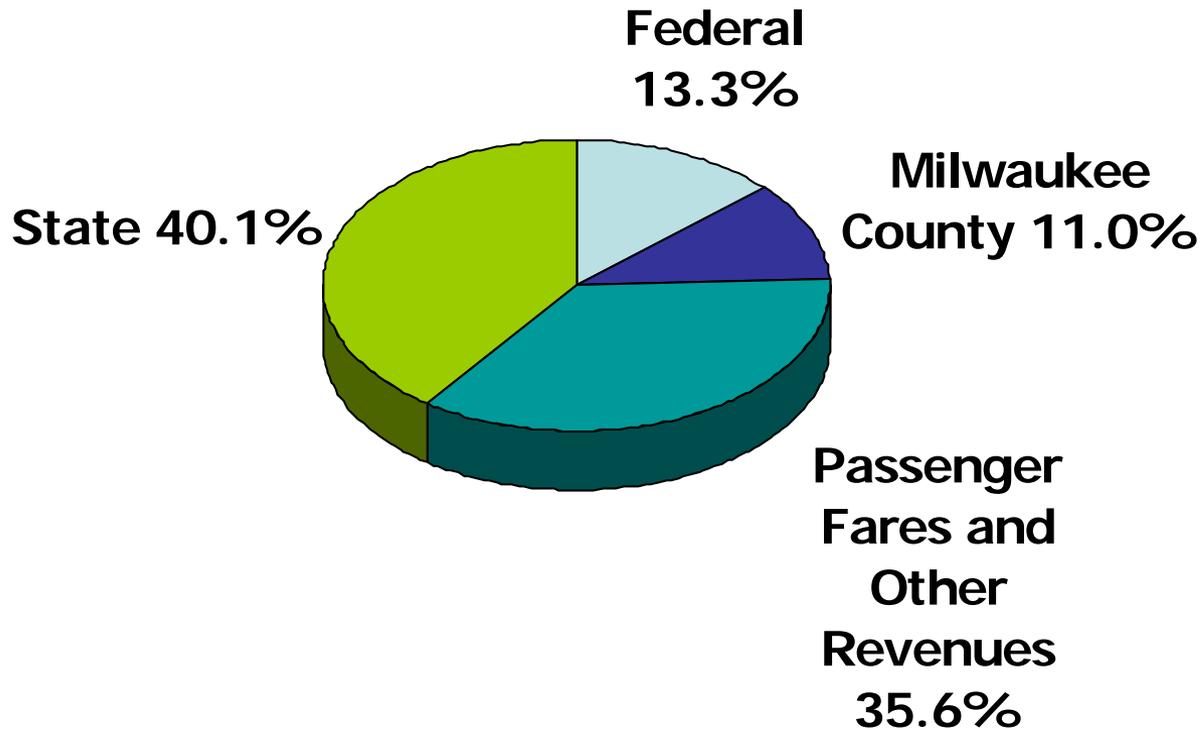


Milwaukee County Transit System

A System at the Crossroads
May 2010

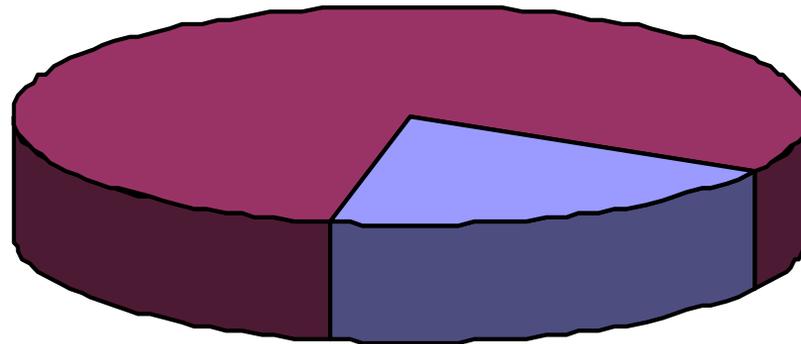
Presented by: Anita Gulotta-Connelly
Managing Director

MCTS Operating Budget Revenue Sources



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

\$39 million

Annual Capital Requirements - \$16-20 million

- Federal \$16 million
- Local \$ 4 million

Federal Transit Operating and Capital Assistance

	Average 1999 – 2004	Average 2005 – 2009
Formula Funds	\$17.4 million	\$17.9 million
Earmarks	\$11.0 million	\$ 1.9 million
Total	\$28.4 million	\$19.8 million

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.

Meeting Past Budget Challenges

- 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

$$\begin{aligned} & 2010 \text{ Costs} \\ & + \\ & \text{Increases in Costs Related to Existing} \\ & \quad \text{Employees and Retirees} \\ & + \\ & \text{Increases in Costs for Utilities, Fuel , etc.} \\ & + \\ & \text{Estimated Reductions in Federal and State} \\ & \quad \text{Aids,} \\ & \quad \text{and Other Revenues} \\ & = \\ & 2011 \text{ Budget Gap} \end{aligned}$$

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:

Adjustment (in millions)
Preliminary Estimates

•2010 Revenue projected to be significantly below budget	\$4.2
•One time adjustment in Medicare Part D revenue in 2010	\$1.7
•Reduction in JARC funding	\$.7
•Employee/Retiree medical expense	\$3.5
•Fuel	\$1.8
•Expense of Transit Plus ridership increases	\$2.1
•Potential loss of Title XIX funding for Paratransit rides	\$1.8
•Increase in bond interest	\$.5
Total Increase / Cost to continue	\$16.3

2011 Budget Gap

Known Off-Sets

Adjustment (in millions)
Preliminary Estimates

• Restored Milwaukee County Investment	\$2.1
• Increase in State Revenue	\$1.7
• Non-Operator Employee Reductions made by MCTS	\$1.0
• Pension Contribution Reduction	\$. 6
• Increase in employee/Retiree healthcare Contributions; healthcare plan modifications	\$.7
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 : June 3, 2010

TO: Supervisor Lee Holloway, Chairman, Milwaukee County Board
Supervisor Michael Mayo, Sr., Chairman, Transportation and Public Works
Supervisor Theodore A. Lipscomb, Vice Chairman, Economic & Community
Development
Supervisor Elizabeth M. Coggs, Chairperson, Finance & Audit

FROM : Freida Webb, Director
Community Business Development Partners

SUBJECT : DBE Achievement Report –2008

BACKGROUND

In the past, Milwaukee County measured participation by M/WBE standards; however, since January 2001, the County federalized its DBE Program to comply with 49 CFR 26. According to certification standards, the term "DBE" means a small business concern known as a Disadvantaged Business Enterprise (DBE) firm owned at least 51% by socially and economically disadvantaged individuals. Certain minority males and all women are presumed to be disadvantaged. Other individuals, including white males, may be certified but they must demonstrate by a preponderance of the evidence that they are indeed socially and economically disadvantaged.

OBJECTIVE

The Community Business Development Partners (CBDP) implements County Policies that ensure participation and contract compliance on all County procurement that will provide business opportunities for DBE firms.

This is accomplished by: establishing DBE participation goals; assisting department heads, administrators, and prime contractors in identifying qualified DBEs; contract monitoring; ensuring that all DBE firms participating on County contracts are certified through the Unified Certification Program (UCP); identifying and reacting to instances of noncompliance; and providing DBE firms with technical assistance to enhance their ability to participate on County contracts.

The goal of this report is to provide the resulting accomplishments of all professional service and construction contracts tracked during the period from January 1 through December 31, 2008. The summary of contracts issued and overall DBE participation is shown attachment "A".

WAIVERS:

During 2008, CBDP waived 180 professional service contracts, where no subcontracting opportunities existed for DBEs. Many of these contracts were also for agencies such as the Medical College of Wisconsin, UW System, State of Wisconsin, Non-Profit Organizations, etc., and many small contracts for the zoo.

It is now the policy that County Board Chairman Holloway approves all DBE Waiver requests based on a review of the CBDP Director's recommendation.

RECOMMENDATION

This is an informational report. It is recommended it be received and placed on file.

Prepared by:

Keith Garland
Contract Compliance Manager

Approved by:

Freida Webb, Director
Community Business Development Partners

cc: Scott Walker, County Executive
County Board of Supervisors
Jerome Heer, Director, Department of Audits
Department Heads

Attachment A

**MILWAUKEE COUNTY
2008 DBE Accomplishment Report**

2008 Annual Contracts				
	Total \$ Amount of Contracts	\$ Amount of DBE Subcontracts	% of DBE Participation	DBE Goal
Construction Contracts	\$18,689,460	\$5,362,151	28.69%	25%
Professional Services- Construction Related	\$8,471,133	\$2,664,905	31.46%	25%
Professional Services Non-Construction	\$15,456,594	\$8,605,150	55.67%	17%
Time & Material	\$884,795	\$142,336	16.09%	25%
TOTAL – Contract Amt.	\$43,501,982	\$16,774,542	38.56%	

Multi-Year Contracts ending in 2008				
	Total \$ Amount of Contracts	\$ Amount of DBE Subcontracts	% of DBE Participation	DBE Goal
GMIA / CPI Carpet & Window Cleaning	\$1,742,583	\$284,640	16.33%	17%

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CHANGES:

The calculation methodology for counting DBE outcomes changed in 2009. Prior years reporting used the County Departmental commitments for year-end DBE outcomes reporting. The 2009 reports reflect actual achievements verified by written confirmation from DBE firms. The result of this change reflects a significant decrease in percentage of achievement in professional services contracting due to County Department's failure to obtain written verification of payments from the DBE firms.

We anticipate that with continued training and the updating of the County Administrative Manual to reflect the recent changes to Chapter 42, we will see an increase in the DBE achievement percentage in future years.

WAIVERS:

During 2009, CBDP waived 160 professional service contracts, where no subcontracting opportunities existed for DBEs. Many of these contracts were also for agencies such as the Medical College of Wisconsin, UW System, State of Wisconsin, Non-Profit Organizations, etc., and many small contracts for the zoo.

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MILWAUKEE COUNTY 2009 DBE Accomplishment Report

2009 Annual Contracts				
	Total \$ Amount of Contracts ₁	\$ Amount of DBE Subcontracts	% of DBE Participation	DBE Goal
Construction Contracts	\$20,111,300	\$6,465,871	32.15%	25%
Professional Services- Construction Related	\$913,784	\$509,473	55.75%	25%
Professional Services	\$20,712,286	\$1,566,056	7.56%	17%
Time & Material	\$2,099,695	\$779,146	37.11%	25%
TOTAL – Contract Amt.	\$43,837,065	\$9,320,546	21.26%	

₁ Represents only contracts that had a DBE goal

Multi-Year Contracts ending in 2009 ₃				
	Total \$ Amount of Contracts ₂	\$ Amount of DBE Subcontracts	% of DBE Participation	DBE Goal
GMIA Parking (9/2002 - 8/2009)	\$32,542,460	\$7,316,491.43	22.48%	17.00%
Airport Shuttle (11/2002-10/2009)	\$364,000	\$55,328.00	15.20%	14.00%

₂ Represents only contracts that had a DBE goal

₃ Contract periods of three (3) or more years