



**CITY OF WAUKESHA**

**Administration**

201 Delafield Street, Waukesha, WI 53188  
 Tel: 262.524.3701 fax: 262.524.3899  
 www.ci.waukesha.wi.us

<b>Committee:</b> Transit Commission	<b>Date:</b> 4/20/2017
<b>Common Council Item Number:</b> 17-0641	<b>Date:</b> 5/2/2017
<b>Submitted By:</b> Fred Abadi- Public Works	<b>City Administrator Approval:</b> Kevin Lahner, City Administrator KL
<b>Finance Department Review:</b> Rich Abbott, Finance Director RA	<b>City Attorney's Office Review:</b> Brian Running, City Attorney BER
<b>Subject:</b> Approval of 2017 Urban Mass Transit Operating Assistance Agreement with the State of Wisconsin Department of Transportation	

**Details:**  
 This item is to approve the 2017 Urban Mass Transit Operating Assistance Agreement with the State of Wisconsin Department of Transportation (WisDOT). This agreement provides funding up to 60% of the cost of operating both the City of Waukesha Metro Transit System and Waukesha County Transit System for 2017. The guaranteed rate expense rate is slightly less than 54.5% of operating expenses. The percentage includes the predicted total of Federal funds for Fiscal Year 2017 combined with State funds. The federal portion is only funded through April 2017 so the final 5 months of the federal fiscal year (ends September 30<sup>th</sup>) is predicted to remain at 2016 levels. The Federal FAST act included a 2% increase for 2017 but WisDOT is predicting that Congress will keep federal funding at the 2016 level which will result in a shortfall to the budget. Unfortunately the timing is such that WisDot can not hold the agreement until Congress approves the remaining 2017 federal funds. If the increase is approved by Congress, this agreement will need to be amended to include additional funds.

**Options & Alternatives:**  
 There are no viable alternatives. The WisDOT funds are critical for the operations of the City and County Transit Systems.

**Financial Remarks:**  
 As stated above, the City and Waukesha County will receive up to 60% funding of their 2017 operating costs from WisDOT through this agreement which includes federal funds received. The maximum dollar amount of the agreement is \$4,010,769 based upon total audited expenses. As stated in the details, WisDOT is predicting that federal funds will remain at 2016 levels which would not include the 2% increase original included in the federal FAST act for 2017. If funding remains at the 2016 level, it will result in approximately a \$28,000 shortfall of (state/federal funding) from what WisDOT had forecasted at the end of last year for the City and County. The City portion of the shortfall would be roughly \$16,000. As stated in the details, if Congress approves the 2% increase, additional funds will be allocated to this agreement in the form of an amendment which may result in no shortfall.



Transit will monitor this situation closely. If a shortfall results, at this time it appears that it can be absorbed without service reductions or fare increases due to a favorable health insurance renewal for the transit employees and current fuel prices.

**Executive Recommendation:**

Recommend approval.