

**COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION**

DATE: January 4, 2008
TO: Supervisor Lee Holloway, Chairperson, County Board of Supervisors
FROM: George A. Torres, Director, Transportation & Public Works
Anita Gulotta-Connelly, Managing Director, MCTS
SUBJECT: Bike Racks on Buses (File No. 07-366)

BACKGROUND

On September 27, 2007, the Milwaukee County Board of Supervisors passed a resolution that directs the Director of the Department of Transportation, Public Works and Transit and the Managing Director of the Milwaukee County Transit System to apply for 2008 Transportation Enhancement grants for the funding of bicycle racks on buses with a report back to the Transportation, Public Works and Transit Committee on the status of the grants. This memo serves as the required status report.

2008 Transportation Enhancement (TE) Program

The TE program is designed to fund projects that increase multi-modal transportation alternatives; installing bicycle racks on buses has been an approved TE project in the past. Concurrent with the TE program is a Bicycle and Pedestrian Facilities program (BFPF). The TE/BFPF program is a **reimbursement** program, not a grant program; 80% of approved project costs incurred are reimbursed.

Project Timeline

Applications for TE/BFPF projects are due on April 18, 2008. Provided that the project is approved, the earliest that bicycle racks would begin to be installed on buses is late 2008 or early 2009. Given this timeframe, expenses associated with the bicycle rack project, including the required local match, would have to be included in the 2009 budget.

Project Costs

A report dated August 23, 2007, which was presented to the TPW&T Committee on September 12, 2007, identifies the costs for a bicycle racks on buses project. In consultation with the Bicycle Federation of Wisconsin, it was decided that additional funds would be required for education, product demonstrations, etc. The total cost of a bicycle racks on buses project that would be eligible for partial reimbursement (80%) under the TE/BFPF program is \$650,000. This includes \$545,000 for racks, installation and replacement parts; \$60,000 for facility restriping; \$20,000 for operator training; and \$25,000 for user education.

In addition to the start-up costs listed above, the 2009 budget would also need to include \$140,000 in additional operating costs for the bicycle racks on buses project. This amount includes one new mechanic position (including benefits, social security, etc.); the cost for vehicle damage repair; and revenues lost due to the removal of marketing panels from the front of buses. If that level of maintenance support proves to be insufficient, an additional maintenance position would be added in the 2010 budget.

Local Match

The TE/BPFP program reimburses 80% of eligible costs, or \$520,000. The remaining 20%, or \$130,000, is effectively the local match. The Bicycle Federation of Wisconsin has expressed a willingness to work with local donors in the community to generate funds to cover a portion of the local match. Any amounts raised by this endeavor would defray the local costs. Milwaukee County would have to accept responsibility for the cost of the entire project as part of the grant application.

Budget Impact


The 2009 budget would have to include an initial expense of \$650,000 for the bicycle racks on buses project, and \$140,000 for additional operating costs. Covering \$520,000 of these expenses with a TE/BPFP grant leaves a potential tax levy impact in the 2009 budget of \$270,000.

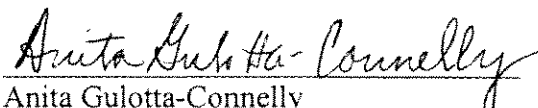
RECOMMENDATION

The Committee has instructed MCTS to investigate the opportunities for funding a "bikes on buses" program. At this time, it is recommended that MCTS, in conjunction with the Milwaukee County Department of Transportation & Public Works, move forward with the grant application process, if there is a commitment to fund this project in 2009.

Prepared by: Anita Gulotta-Connelly, Managing Director, MCTS

Approved by:


George A. Torres, Director
Transportation & Public Works


Anita Gulotta-Connelly
Managing Director, MCTS

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(Item) From the Director of the Department of Transportation & Public Works and the Managing Director of the Milwaukee County Transit System, recommending allowing Milwaukee County to apply for a Transportation Enhancement program grant for purposes of reimbursing 80% of the cost of purchasing and installing bicycle racks on buses.

RESOLUTION

WHEREAS, on September 27, 2007, the Milwaukee County Board of Supervisors passed a resolution that directs the Milwaukee County Transit System to apply for 2008 Transportation Enhancement grants for the funding of bicycle racks on buses with a report back to the Transportation, Public Works and Transit Committee on the status of the grants; and

WHEREAS, applications for Transportation Enhancement program projects are due on April 18, 2008; and

WHEREAS, the Transportation Enhancement program is designed to fund projects that increase multi-modal transportation alternatives; and

WHEREAS, installing bicycle racks on buses has been an approved Transportation Enhancement project in the past; and

WHEREAS, if the application for a Transportation Enhancement program project is approved, bicycle racks could begin to be installed on buses in late 2008 or early 2009; and

WHEREAS, this is a capital project that would have to be identified as such in the 2009 budget; and

WHEREAS, a report dated August 23, 2007, which was presented to the Transportation, Public Works and Transit Committee on September 12, 2007, identified the project costs for a bicycle racks on buses project, and in consultation with the Bicycle Federation of Wisconsin, it was decided that additional funds would be required for education, marketing, product demonstrations, etc.; and as such, the total cost of a bicycle racks on buses project would be \$650,000 with up to \$520,000 of this cost eligible for reimbursement if the Transportation Enhancement program project application is accepted; leaving a local match for the project of \$130,000; and

45 WHEREAS, the Bicycle Federation of Wisconsin has expressed a
46 willingness to work with local donors in the community to generate funds to
47 cover a portion of the local match of \$130,000; however, any shortages in
48 this endeavor would be the responsibility of Milwaukee County; and
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50 WHEREAS, the 2009 budget should also include an additional
51 \$110,000 as an annualized operating cost for the bicycle racks on buses
52 project, with this amount including \$70,000 for a new mechanic position
53 (including benefits, social security, etc.), and revenues lost due to the
54 removal of marketing panels from the front of buses; now, therefore,
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56 BE IT RESOLVED, that the 2009 transit budget include an initial
57 expense of \$650,000 for the bicycle racks on buses project, and an
58 additional \$110,000 for lost advertising revenue and new costs in the
59 maintenance department, with the understanding that if Milwaukee County is
60 successful in obtaining approval of a Transportation Enhancement program
61 project for bicycle racks on buses, that up to \$520,000 in project costs would
62 be reimbursed, thereby leaving a potential tax levy impact in the 2009
63 budget of \$270,000; and up to \$130,000 of this amount could potentially be
64 provided by donor contributions, or eligible in-kind contributions by
65 Milwaukee County Transit System and/or Bicycle Federation of Wisconsin
66 staff time; and therefore,
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68 BE IT FURTHER RESOLVED, that if Milwaukee County is not
69 successful in obtaining approval of a Transportation Enhancement program
70 project for bicycle racks on buses that the project will be postponed until
71 such time as a grant can be successfully obtained.
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MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 1/8/2008

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Bike Racks on Buses

FISCAL EFFECT:

- | | |
|--|--|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input type="checkbox"/> Existing Staff Time Required
<input checked="" type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget
<input type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input type="checkbox"/> Decrease Operating Revenues | <input checked="" type="checkbox"/> Increase Capital Expenditures
<input type="checkbox"/> Decrease Capital Expenditures
<input checked="" type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|--|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	--	140,000
	Revenue	--	--
	Net Cost	--	140,000
Capital Improvement Budget	Expenditure	--	650,000
	Revenue	--	520,000
	Net Cost	--	130,000

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

1. The action being recommended is that approval be granted to the Milwaukee County Transit System for purposes of applying for a Transportation Enhancement Program project that would reimburse 80% of the cost of purchasing and installing bicycle racks on buses owned by Milwaukee County.

2. The capital costs associated with a bicycle racks on buses project total \$650,000, of which up to \$520,000 may be reimbursed by the Transportation Enhancement Program. The local match for the project is \$130,000. The Bicycle Federation of Wisconsin has expressed a willingness to work with local donors in the community to generate funds to cover a portion of the local match.

3. The on-going annual costs of a bicycle racks on buses project total \$140,000. It is expected that a similar amount may be needed in subsequent years.

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

4. The Bicycle Federation of Wisconsin has expressed a willingness to work with local donors in the community to generate funds to cover a portion of the local match. Failure to generate donors puts Milwaukee County at risk of covering the local match and on-going annual costs with tax levy, estimated to be approximately \$270,000 in the first year of the bicycle racks on buses project.

Department/Prepared By Anita Gulotta-Connelly, Managing Director, MCTS

Authorized Signature George A. Jones

Did DAS-Fiscal Staff Review? Yes No

Reviewed With: