

**MINUTES OF THE THIRD MEETING**

**SOUTHEASTERN WISCONSIN REGIONAL TRANSIT AUTHORITY**

DATE: May 15, 2006  
TIME: 8:00 a.m.  
PLACE: Kenosha County Center  
19600 75<sup>th</sup> Street  
Conference Room A  
Bristol, Wisconsin

Board Members Present

Karl Ostby, Chairman ..... Kenosha County Representative  
Len Brandrup ..... City of Kenosha Representative  
Joseph “Jody” Karls ..... City of Racine Representative  
Sharon Robinson ..... City of Milwaukee Representative  
Julia Taylor ..... Governor’s Representative from City of Milwaukee  
George A. Torres ..... Milwaukee County Representative

Board Members Excused

David Eberle ..... Racine County Representative

Staff Members Present

Philip C. Evenson ..... Executive Director, SEWRPC  
Kenneth R. Yunker ..... Deputy Director, SEWRPC  
Albert A. Beck ..... Principal Planner, SEWRPC

Guests Present

F. H. “Chip” Brewer ..... Director, Worldwide Government Relations  
S. C. Johnson & Son, Inc.  
Donna L. Brown ..... Systems Planning Group Manager, Southeast Region,  
Wisconsin Department of Transportation  
Michael J. Glasheen ..... Transit Planner, City of Racine  
Frederick J. Patrie ..... Director of Public Works, Kenosha County  
Rosemary Potter ..... Executive Director ,  
Southeastern Wisconsin Coalition for Transit Now  
James H. Madlom ..... Mueller Communications, Inc.  
Albert Stanek ..... Chief, Intercity Planning,  
Division of Transportation Investment Management,  
Wisconsin Department of Transportation  
Michael E. Vebber ..... Vice President and Director of Operations,  
Milwaukee County Transit System  
Kenneth J. Warren ..... Managing Director, Milwaukee County Transit System

## **ROLL CALL AND INTRODUCTIONS**

Chairman Ostby called the meeting to order at 8:05 a.m. and welcomed those present to the third board meeting of the Southeastern Wisconsin Regional Transit Authority (RTA). He noted that, while Board member Dave Eberle was not in attendance at the meeting, there was still a quorum of six members present for the meeting.

## **APPROVAL OF AGENDA**

There were no changes identified by Board members to the meeting agenda.

## **REVIEW AND APPROVAL OF MINUTES OF FEBRUARY 20, 2006 MEETING**

Chairman Ostby asked if there were any questions or comments on the minutes of the Board meeting held on March 20, 2006. There being none, a motion to approve the minutes as presented was made by Mr. Brandrup, seconded by Mr. Torres, and carried unanimously by the Board.

## **REVIEW AND DISCUSSION OF WRITTEN COMMENTS RECEIVED TO DATE**

Chairman Ostby directed the attention of Board members to the public comments that had been attached to the meeting agenda. Mr. Yunker stated that the two comments had been submitted through the RTA website and expressed support for the work of the RTA. He noted that the comments required no action by the Board. The two public comments are included in Attachment 1 to these minutes. Ms. Robinson stated that she had received one comment pertaining to the RTA and would forward it to the Commission staff.

## **CONSIDERATION OF BY-LAWS**

Chairman Ostby asked the Commission staff to review with the Board the changes to the bylaws that had been made since the last meeting. Mr. Evenson stated that the Commission staff had revised the bylaws as requested by the Board (see Attachment 2 to these minutes) and identified where changes had been made including: in Section 4 of Article II to provide for calling emergency meetings with one-day notice; in Section 6 of Article II to specify there would be no payments to Board members for attending regular meetings; in Section 7 of Article II to specify that the Board may create subcommittees to facilitate completion of its work; in Section 1 of Article V to allow borrowing against anticipated revenues; and in Section 1 of Article VII to specify that two meetings are required to amend the bylaws.

Mr. Torres asked whether any State legislative changes were being pursued for the negative quorum provisions of the enabling legislation for the RTA. Mr. Evenson indicated that no changes had been made to that requirement.

A motion to approve the revised bylaws was made by Mr. Brandrup, seconded by Mr. Torres, and carried unanimously by the Board.

[Secretary's Note: The approved bylaws have been posted on the RTA website.]

## **CONSIDERATION OF RESOLUTION REGARDING PARTICIPATION IN WISCONSIN LOCAL GOVERNMENT INVESTMENT POOL**

Chairman Ostby drew the Board's attention to the resolution for participating in the Wisconsin Local Government Investment Pool (see Attachment 3 to these minutes). Mr. Evenson explained that a resolution from the Board approving the participation of the RTA in the pool was required by the Wisconsin Department of Revenue. He noted that the account would not be created until the Department of Revenue began passing through to the RTA the funds generated by the \$2.00 car rental fee assessed in the RTA counties. He also stated that the Commission staff, upon consideration with the RTA Chair, had declined an offer made by the Department of Revenue to provide reports on the amount of funds collected by individual vehicle rental company because the reports would be confidential to the RTA Chair and would not provide data useful to the RTA, particularly the amount of funds generated by county.

A motion to approve the resolution supporting participation in the Wisconsin Local Government Investment Pool was made by Mr. Brandrup, seconded by Ms. Robinson, and carried unanimously by the Board.

## **PRESENTATION/DISCUSSION ON THE BENEFITS OF PUBLIC TRANSIT**

Mr. Evenson stated that Ken Yunker of the Commission staff would present information to the Board on the overall benefits of public transit and on the benefits of the commuter rail service proposed for the Kenosha-Racine-Milwaukee (KRM) corridor. Following that presentation, he stated that other individuals would make presentations on their perspectives of the benefits of public transit and commuter rail service. He introduced Ms. Rosemary Potter from the Southeastern Wisconsin Coalition for Transit Now; Mr. Chip Brewer from S. C. Johnson & Son, Inc.; and Mr. Kenneth J. Warren from the Milwaukee County Transit System.

### **Presentation by Commission Staff**

In his presentation (see Attachment 4 to these minutes), Mr. Yunker identified important benefits derived from the provision of public transit in the Region including providing an alternative travel mode in heavily traveled areas, serving and encouraging higher density development, contributing to transportation system efficiency, contributing to the quality of life in the Region and the promotion of economic development, and meeting the travel needs of those without an automobile. He summarized information from a recent Wisconsin Department of Transportation (WisDOT) study identifying the benefits of public transit in Wisconsin which found that transit was essential to meeting the travel needs of persons unable to use an automobile and that it has positive impacts on household quality of life and the local economy. The WisDOT study found that without public transit, current transit riders who have access to an automobile would face increased expenditures on transportation, while riders without access to an automobile could face loss of work which, in turn, could increase public costs for unemployment compensation and welfare services such as public assistance and food stamps. He also noted that riders without access to an automobile could incur higher medical costs due to the need for home healthcare and increased health insurance premiums. He stated that the WisDOT study indicated the benefits of providing public transit outweighed the costs by a factor of 3.5 to 1.

Mr. Yunker also summarized the benefits of the proposed KRM commuter rail service as identified in previous studies, stating the service would be fast and convenient; operate with a high degree of reliability as it will not be affected by street and highway congestion; remove traffic from adjacent state highways

and IH 94 and serve as an alternative for automobile travel during reconstruction of IH 94 over next 20 years; provide environmental benefits, including reductions in air pollution and energy consumption; provide improved accessibility to jobs and the labor force in both northern Illinois and the Region as well as to colleges/universities, arts, culture, and entertainment centers; promote land development and redevelopment around the proposed rail stations and economic development in the corridor; and improve the accessibility to General Mitchell International Airport which could result in increased use and flight schedules.

**Presentation by Ms. Rosemary Potter, Transit Now**

Ms. Potter identified the primary mission of Transit Now as being to educate the community on transportation-related issues that impact Southeastern Wisconsin. She stated that Transit Now was presently focusing on outreach activities to advocate for the implementation of commuter rail service in the KRM corridor. She noted that the organization had been very successful in encouraging people and organizations to participate in public meetings and provide comment on the commuter rail project. She encouraged the RTA Board to use Transit Now as a resource and offered to provide the Board with copies of various reports on commuter rail service prepared or obtained by the organization. She also stated that Transit Now had a partnership with the University of Wisconsin-Parkside and offered to arrange for a listening session on commuter rail service at the University.

Ms. Potter stated that the proposed KRM commuter rail service will link the communities in the corridor to northern Illinois and the Chicago area and will help improve the local economy and spur economic growth in these communities. She cited three major benefits of the proposed commuter rail service: first, the service will help business in the corridor attract and retain young professional talent by making the area more attractive; second, by providing a link to northern Illinois and the Chicago area, the service will expand the potential labor pool available to businesses in the corridor; and third, the rail line will help spur development and economic growth in the corridor. She noted that the expected growth and development around stations would increase property values which would generate additional local property tax revenue. She cited the Harbor Park development east of the Kenosha Metra station in downtown Kenosha and development around the station in Haverhill, Massachusetts, cited in her handout (see Attachment 5 to these minutes) as examples of how commuter rail service and proper local planning can result in urban revitalization. She indicated that these benefits of commuter rail service were topics at a recent Wingspread conference sponsored by Transit Now and the Johnson Foundation and offered to provide conference materials to the Board members. She also stated that the rating for the Racine metropolitan area found at Moody's Economy.com--a leading independent provider of economic, financial, country, and industry research used by businesses, governments, and professional investors--had improved since initiation of the planning efforts for commuter rail in the KRM corridor. She thanked the RTA for providing leadership on the proposed KRM commuter rail service and noted that the future of the corridor is in the Board's hands.

The following questions were raised and comments made by Board members concerning Ms. Potter's presentation:

1. Chairman Ostby asked the Commission staff if the RTA could meet with Transit Now without providing formal public notice. Mr. Evenson stated that if board members met with Transit Now individually, there would be no need for providing notice of such meetings. However, if more than one Board member would be meeting with the organization, such as for a listening session at the University of Wisconsin-Parkside, he stated that open meeting rules would apply since a negative quorum of the Board would be present.

2. Referring to the improved rating for the Racine area found at Moody's Economy.com, Ms. Taylor noted that the ratings for the entire Southeastern Wisconsin Region as a whole had improved. She stated that believed this improvement was due to the recent efforts undertaken by business groups to promote the Southeastern Wisconsin Region as a good place for businesses to locate, and that the improvement for the Region as a whole brought up the rating for Racine.
3. Ms. Robinson stated that she would be interested in the characteristics of the population in the Harbor Park development and asked if demographic information for the area was being tracked. Mr. Brandrup and Mr. Patrie both stated that they perceived that a large number of residents of the area were older "empty nesters". Mr. Evenson stated that Commission staff would contact City staff to determine if demographic data on the characteristics of the Harbor Park residents was available.

[Secretary's Note: Commission staff is working with City of Kenosha staff and the developer of Harbor Park to obtain this data.]

4. Ms. Taylor asked if consideration had been given to providing transit connections between the KRM commuter rail stations and existing Amtrak stations such as in Glenview, Illinois, noting that there may be some demand for such connections. Mr. Brandrup stated that PACE, the operator of suburban transit services in the Chicago area, has many shuttle routes in northern Illinois that provide connections to and from both Metra and Amtrak stations.

#### **Presentation by Mr. Chip Brewer, S. C. Johnson & Son, Inc.**

Mr. Brewer stated that S. C. Johnson & Son, Inc. was headquartered in Racine and employs approximately 3,000 persons, most of whom reside in Racine County but many also live in Milwaukee and Kenosha Counties or in northern Illinois. He stated that S. C. Johnson & Son supported the findings of previous studies done by the Commission indicating that commuter rail service in the KRM corridor is feasible and that it has the potential to spur economic development. He indicated that S. C. Johnson & Son believed a major benefit derived from providing commuter rail service in the KRM corridor would be an improvement in the overall quality of life in the corridor.

Mr. Brewer stated that S. C. Johnson & Son wants its employees to be "world class" and that such individuals want a high quality of life. He indicated that his company has problems recruiting such individuals because when compared to other major metropolitan areas of the country, the Racine area and southeastern Wisconsin do not offer enough in terms of lifestyle choices to attract the best college graduates. He noted that many young talented professionals want to live in an area where rail transit service is available. He stated that with Racine being located between the Chicago and Milwaukee metropolitan areas, commuter rail service in the KRM corridor could also help address the issue of connectivity for employees who have a spouse working in downtown Chicago or Milwaukee or some other community within the corridor, and who may need this service for their spouse or themselves if the family situation dictates that they live outside the Racine area. He stated employees would also make use of the commuter rail service to attend sporting or cultural events in the Chicago or Milwaukee area.

Chairman Ostby asked Mr. Brewer if his company currently has employees who use the existing Metra service ending in Kenosha. Mr. Brewer indicated that there are some employees at his company that commute from Chicago or northern Illinois using the Metra service and that his company has vans to shuttle them between the company's Racine offices and the Kenosha Metra station.

### **Presentation by Mr. Kenneth J. Warren, Milwaukee County Transit System**

Mr. Warren distributed a handout (see Attachment 6 to these minutes) summarizing the characteristics of, and the benefits derived from, the Milwaukee County Transit System (MCTS). He explained that the MCTS represented a public-private partnership with the equipment and facilities for the system owned by Milwaukee County and the personnel operating the transit service being employees of a private company. He stated that the MCTS used 485 buses to provide bus service over 56 routes, including contract routes with Ozaukee and Waukesha Counties; that the service was provided seven days a week between 20 and 22 hours each day; and that it was a very reliable travel mode with 95 percent of scheduled bus trips being on-time. Regarding use of the MCTS, he stated that the bus system carried about 150,000 boarding passengers per weekday with a total annual ridership of about 47.4 million revenue passengers in 2005; that about 90 percent of the passenger trips on the system had one or both trip ends in the City of Milwaukee; and that most bus riders used the MCTS for work purposes and had an annual household income under \$28,000. He indicated that the MCTS also had a paratransit component, Transit Plus, that served about 17,000 disabled individuals who are unable to use the bus system, and that the paratransit service carried over one million passengers in 2005. He also cited the overall high effectiveness and efficiency levels for the services provided by the MCTS which were significantly above those for its peers.

Mr. Warren identified the main benefits of the MCTS as providing for mobility and mobility choices, particularly for those without a drivers license or access to an automobile; as adding capacity to the transportation system by providing a more cost-effective way than the automobile to move people and by removing cars from the street and highway system; and as enhancing economic activity by providing access to jobs and to businesses where riders can spend their income. He cited the findings from a recent study identifying the economic benefits of the MCTS transit service which indicated the benefits outweighed the costs by a factor of 4.75 to 1. He identified the major need of the MCTS as a new source of local funds to replace Milwaukee County property taxes, noting that the MCTS was the only transit system among its peers to rely on property taxes for local funding. He stated that while demand for public transit is increasing, it is becoming harder to maintain local property tax funding for transit.

The following questions were raised and comments made by Board members concerning Mr. Warren's presentation:

1. Chairman Ostby asked Mr. Warren what the total property tax levy was for the MCTS and about the impacts higher fuel prices have had on the system. Mr. Warren stated that approximately \$21 million in Milwaukee County property taxes is being spent to support the transit system in 2006. He indicated that the impacts of higher fuel prices have been both good and bad--good because ridership had increased and was up 2-3 percent through March 2006, and bad in that the budget for fuel to operate system vehicles had doubled from about \$4 million in 2005 to about \$8 million for 2006.

Mr. Karls asked if the MCTS had increased its budget for marketing in response to higher fuel costs faced by motorists and the possibility that it might prompt them to consider trying public transit. Mr. Warren stated that the MCTS and the other transit systems in Southeastern Wisconsin had formed a marketing coalition to prepare marketing campaigns and advertisements promoting transit use, and that these campaigns have emphasized higher motor fuel costs.

2. Noting that the MCTS was putting about \$18-19 million of Federal transit aids annually into service operations, Mr. Brandrup asked Mr. Warren if he believed the MCTS had reserved enough Federal funds for the acquisition of capital equipment, including replacing buses. Mr. Warren stated that, while Federal transit aid was intended to be used for funding capital needs, the financial situation of the MCTS made it necessary to use the available federal funds for operations and defer capital expenditures. He noted that while the industry standard calls for replacing buses after 12 years of operation, Milwaukee County was now replacing buses after 14-15 years of use. He also indicated that the County did not have enough Federal funds to invest in equipment that makes use of new technology such as fareboxes that can read smartcards or electronic signs at major bus stops that would provide information on the next bus arrival time. He stated that Milwaukee County has been drawing upon a balance of Federal funds it has accumulated over the past 10 years to fund its operating and capital needs, but that balance is expected to be depleted by about the year 2010. He noted that after the balance is completely drawn down, the County will have about \$7 million in Federal transit aids annually to put toward operating and capital projects.

Mr. Brandrup stated that this would indicate to him there may be a need for an additional \$18-19 million annually in new local funds to replace the current Federal funds used for operating the existing system. Mr. Warren agreed and noted that when needs for service improvement and expansion are considered, the total need would be about \$40 million annually for capital and operating projects. Mr. Torres noted that additional funds may also be needed to cover a "hole" in the MCTS budget that will result from an accounting change to include the cost of benefits for retirees.

3. Mr. Torres stated that while identifying appropriate funding sources for the proposed commuter rail service in the KRM corridor was a major issue to be addressed by the RTA, it had also been charged with reviewing alternative funding sources for existing bus-based public transit. He cited a recent newspaper article (see Attachment 7 to these minutes) in which rental car agencies had expressed opposition to the \$2.00 fee being charged for the RTA as an example of how any new fees and taxes proposed by the RTA may be viewed.
4. Ms. Taylor noted that several recent newspaper articles had discussed at length the fiscal problems faced by Milwaukee County, and others had reported on the concerns of County residents over high property taxes. She stated that area residents appeared to be most concerned over whether increases in the taxes or fees to provide local funding for programs will actually result in reductions in property taxes. Referring to the "big voices" that were expressing opposition to new fees and taxes, Mr. Brandrup stated that it may be difficult to overcome their presence unless the business community helps with counteracting them. Ms. Taylor stated that it was her perception that they were representative of the business community's reactions to the financial problems of local government, like the high costs of retirement plans, and were asking local government to operate more efficiently. Mr. Brewer stated that the business community is willing to work with local officials to help identify solutions to their funding problems.
5. Ms. Taylor noted that new accounting requirements for retiree benefits appeared to be contributing to the County's current fiscal problems and asked Mr. Warren if it was correct that the transit system could face a potential substantial increase in costs as a result of previously unaccounted for costs for healthcare benefits provided to transit system retirees. Mr. Warren stated that the transit system will need to start accounting for the healthcare

benefits it provides to retirees, but that the dollar amount wasn't final yet. He stated that if the total amount needed to be fully funded in the transit system budget, service cuts and fare increases would likely be needed which would hurt many transit riders.

6. Chairman Ostby asked if it was necessary to solve the funding problems of the MCTS and public transit before the Board addresses funding for the proposed KRM commuter rail service. Mr. Warren suggested that the Milwaukee County Board of Supervisors likely would find it unacceptable to be asked to approve new funds for the proposed commuter rail service while at the same time cutting MCTS bus service due to constraints on local funding. Chairman Ostby stated that if that was the situation, the RTA would need to address both the funding needs of commuter rail and public transit.

## **ADJOURNMENT**

Chairman Ostby asked if there were any other issues that members wanted to raise before adjourning. Ms. Robinson asked if any central city groups representing the minority and low-income populations would be invited to speak at Board meetings. Ms. Taylor suggested that as the next meeting would be in the Milwaukee area, arrangements should be made for representatives of these groups to address the Board.

Chairman Ostby asked where the next RTA Board meeting would be held. Mr. Evenson stated the meeting would be on June 19, 2006, at a location in Milwaukee County. He suggested that the meeting be held at the administrative offices of the Milwaukee County Transit System. At that meeting, the Commission staff would also provide a briefing on the existing and planned public transit systems in Kenosha and Racine Counties. Mr. Karls stated that he would not be able to attend the June 19<sup>th</sup> meeting.

There being no further business to come before the Board, the meeting was adjourned at 9:50 a.m. on a motion by Mr. Karls, seconded by Mr. Torres, and unanimously approved.

Respectfully submitted,

Kenneth R. Yunker  
Recording Secretary

**Kenneth R. Yunker**

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**From:** Brook Meier [brook@brookmeier.com]  
**Sent:** Monday, May 01, 2006 1:49 PM  
**To:** SEWISRTA  
**Subject:** RTA Feedback

I am an architect in Milwaukee and have been assisting Mike D'Amato in gaining support for the Milwaukee Connector among the architectural community.

However, I am also very interested in your efforts to bring commuter rail to the City and the region. For a person like me (living and working in the city of Milwaukee) the train has little appeal (as I would only consider using for a trip to Chicago, but would probably end up on the Amtrak because of the time this would take on the Metra). That being said, I understand the impact that this could have on the region and the environment and feel compelled to support and promote this.

Please let me know if there is anything I can do to help move this project forward. I have some influence with the SouthEast Wisconsin Chapter of the AIA as well as extensive contacts (political and architectural) in the city.

One final question: Do you foresee there every being a real high speed connection between Milwaukee and Chicago? This is my City's last hope at population explosion and unprecedented development, funneling the poor creative class to Milwaukee for homes (and seeing the potential staying to work as well). What is the realistic chances of this happening?

Regards,

Brook Meier  
3059 N. Weil St. #302  
Milwaukee, WI 53212

**Kenneth R. Yunker**

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**From:** cweisgram@mac.com  
**Sent:** Sunday, March 26, 2006 12:51 PM  
**To:** SEWISRTA  
**Subject:** Comment from SeWisRTA Website Form

**Submitted:** 3/26/2006 12:41:17 PM

**Name:** C. Benjamin Weisgram

**E-mail:** cweisgram@mac.com

**Organization:**

**PO Box/Street:**

**City:** Chicago

**State:** IL

**Zip:**

**Phone:**

**Comments:** Dear Southeastern Wisconsin RTA, I am writing in encouragement of the people of Southeastern Wisconsin for establishing their own regional transportation authority. In Illinois, we have had a vibrant metropolitan commuter rail network for about twenty years. It has connected people from the suburbs and the city to jobs, family, museums, and entertainment. I hope that one day, it will carry the people of Milwaukee and Chicago to visit each other's fine cities, and I am happy that it probably will very soon. Greetings from Chicago, C. B. Weisgram

3/27/2006

**Final Draft**

**BYLAWS OF THE SOUTHEASTERN WISCONSIN  
REGIONAL TRANSIT AUTHORITY**

Adopted – \_\_\_\_\_, 2006

**PREAMBLE**

These Bylaws, consistent with the Statutes of the State of Wisconsin, define and regulate the activities of the Transit Authority for Kenosha, Milwaukee, and Racine Counties and officers established by, and responsible to the Authority, and have been adopted by the Board of the Authority for that purpose. Where the word “Authority” appears hereinafter, it shall be construed to mean the “Southeastern Wisconsin Regional Transit Authority.” These Bylaws are intended to govern the activities of the Authority during the period in which the Authority is responding to its statutory charge.<sup>1</sup> That charge requires the Authority to submit a report to the Governor and the State Legislature no later than November 15, 2008. Unless the State Legislature and Governor act earlier to terminate its existence or extend its life, the Authority will cease to exist after September 30, 2009.

**ARTICLE I – NAME AND LOCATION OF AUTHORITY**

**Section 1 – NAME** -- The Transit Authority for Kenosha, Milwaukee, and Racine Counties established under State Law shall be named the “Southeastern Wisconsin Regional Transit Authority.”

**Section 2 – OFFICES** -- The offices of the Authority shall be at the offices of the Southeastern Wisconsin Regional Planning Commission (SEWRPC), which has been designated in the Authority’s enabling legislation to act as the administrative agent for the Authority. The SEWRPC offices are located at W239 N1812 Rockwood Drive, P. O. Box 1607, Waukesha, Wisconsin 53187-1607.

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<sup>1</sup> See Section 59.58(b) of the Wisconsin Statutes.

## **ARTICLE II – MEETINGS**

**Section 1 – REGULAR MEETINGS** – The Authority shall regularly meet on the third Monday of each calendar month, unless such meeting date shall coincide with a holiday formally recognized by the State of Wisconsin. In the event that a holiday is observed on a third Monday of a month, the Chair of the Authority shall select an alternate meeting day.

**Section 2 – SPECIAL MEETINGS** – Special meetings may be called at any time by the Chair of the Authority. Special meetings shall also be called by the Chair upon written request of four or more Board members.

**Section 3 – MEETING LOCATIONS** – The regular meetings of the Authority shall be rotated among the Counties of Milwaukee, Racine, and Kenosha, with all meetings to be held in facilities open to the public.

**Section 4 – NOTICES OF MEETINGS** – The Secretary of the Authority shall mail to each member of the Board, either via electronic mail or the U.S. Postal Service, a meeting notice not less than four (4) days before the holding of any regular Authority meetings and one (1) day for special or emergency meetings; and such notice shall state a time and place of such meeting and the business to be undertaken. The notice shall also be posted on a website maintained by the SEWRPC as part of its agency relationship with the Authority.

**Section 5 – QUORUM** – As required by the State enabling legislation, six of the seven members of the Authority are required to make up a quorum at any meeting. Given this statutory requirement, two members of the Authority shall constitute a negative quorum as defined under the Wisconsin Open Meetings Law. Accordingly, if two or more members of the Authority desire to discuss Authority business outside of the regular or special meetings of the Authority, such members shall request that the Secretary of the Authority appropriately post a notice of such a meeting. All meetings of the Authority shall be conducted in accordance with the requirements of the Wisconsin Open Meetings Law.

Section 6 – MEETING PAYMENTS – Each member of the Authority’s Board attending any meeting of the Board shall be entitled to receive a payment of \$0 for attending such meeting. In addition, each member of the Authority’s Board shall be entitled to payment of travel costs as determined by the Board on a case-by-case basis.

Section 7 – SUBCOMMITTEES – The Board may create subcommittees of the Board to facilitate completion of its work.

### **ARTICLE III – OFFICERS**

Section 1 – NUMBER AND TERM – The officers of the Authority shall be comprised of a Chair, Vice-Chair, Secretary, and Treasurer. The officers shall be selected by action of the Board of the Authority at a regular meeting and shall serve an indefinite term until such time as the Governor and State Legislature determine whether or not the Authority is to become permanent in nature. The election of each officer shall require the affirmative vote of six of the seven members of the Authority. Should any office become vacant for any cause, the Authority Board shall select a successor at the next regularly scheduled meeting or at a special meeting called for that purpose.

Section 2 – CHAIR – The Chair of the Authority shall preside at all meetings of the Authority Board. The Chair shall work with the Authority staff to present to the Authority all matters requiring attention. Subject to any contrary requirements in these Bylaws, the Chair shall be guided by Roberts Rules of Order in the conduct of meetings.

Section 3 – VICE-CHAIR – The Vice-Chair shall preside at all meetings of the Authority Board in the absence of the Chair or in the event that the Chair is incapacitated or unable to serve.

Section 4 – SECRETARY/DEPUTY SECRETARY -- The Secretary of the Authority shall keep and distribute minutes of all meetings of the Authority Board, shall countersign all documents required to be executed, and shall keep and preserve all resolutions, transactions, findings, and determinations of the Authority Board. In the absence of the Secretary or as requested by the Secretary, the Deputy Secretary, who shall be the SEWRPC Executive Director, shall perform the duties of the Secretary.

Section 5 – TREASURER/DEPUTY TREASURER -- The Treasurer of the Authority shall keep all the funds of the Authority and shall place them in a depository authorized by the Authority, and shall keep an accurate record of all receipts and disbursements. In the absence of the Treasurer or as requested by the Treasurer, the Deputy Treasurer, who shall be the SEWRPC Business Manager, shall perform the duties of the Treasurer. The Treasurer shall report all receipts and disbursements at least once each calendar quarter to the Authority Board.

#### **ARTICLE IV – STAFFING AND PERSONNEL**

Section 1 – STAFF ARRANGEMENTS -- The staff of the Southeastern Wisconsin Regional Planning Commission, and in particular, the Commission's Executive Director, Deputy Director, and Business Manager, shall serve as staff to the Authority.

Section 2 – CONSULTANTS AND ADVISORS -- Subject to approval of the Authority Board, the SEWRPC staff may retain consultants and other advisors as may be necessary to help meet the statutory charge given to the Board.

#### **ARTICLE V – FINANCIAL ARRANGEMENTS**

Section 1 – REVENUE SOURCE -- All of the revenue required to support the operations of the Authority shall come from the \$2.00 vehicle rental fee authorized under the enabling legislation of the Authority. The Deputy Treasurer shall be responsible for making all necessary arrangements for the transfer of that revenue from the Wisconsin Department of Revenue to a depository bank selected by the Authority Board. The Board may borrow against anticipated funds if deemed necessary by the Board to complete its work.

Section 2 – CHECKS, DRAFTS, AND VOUCHERS – The Treasurer of the Authority is authorized and directed to issue such checks, drafts, and vouchers as may be necessary for the payment of bills and expenses incurred for and on behalf of the Authority in meeting its statutory charge. All disbursements of the Authority shall be by check drawn on the Authority's depository bank and co-signed by the Chair and Treasurer. All disbursements made on behalf of the Authority shall be reported to the Authority Board at least once each calendar quarter.

Section 3 – INVESTMENT OF FUNDS -- The Deputy Treasurer shall maintain on behalf of the Authority, an account in the Local Government Investment Pool maintained by the State Treasurer of Wisconsin and shall place in that Investment Pool all funds not required for the immediate use of the Authority.

Section 4 – FISCAL YEAR -- The fiscal year of the Authority shall be the calendar year.

Section 5 – REPORTS AND AUDITS -- No less than once each calendar quarter, the Treasurer shall present a fiscal report to the Authority Board for its review and approval. The Authority's accounts shall be kept in a manner consistent with generally accepted accounting principles. The Deputy Treasurer shall be responsible for securing an annual audit of the Authority's accounts after conferring with the Treasurer as to the selection of an auditor.

#### **ARTICLE VI – RECORDS AND MATERIALS**

Section 1 – RETENTION OF RECORDS -- The SEWRPC shall keep the records of the Authority for the duration of the period of existence of the Authority as it completes its statutory charge. Should the Governor and State Legislature ultimately determine to make permanent the Authority, the Regional Planning Commission shall transfer the records of the Authority to a custodian designated by the Authority at that time. Should the Governor and Legislature ultimately determine not to make permanent the Authority, the records of the Authority shall remain in the custody of the Regional Planning Commission on an indefinite basis.

#### **ARTICLE VII – AMENDMENTS**

Section 1 -- These Bylaws may be amended by the Authority Board at any regular meeting of the Authority or at any special meeting called by the Chair of the Authority for such purpose. Amendment of bylaws will require two meetings, one for introduction of amendments, and the second for Board action on such amendments.

**ARTICLE VIII – COMPLIANCE WITH WISCONSIN LAW**

Section 1 – INCONSISTENCIES -- In the event that these Bylaws, or any provision herein contained, should in any manner be contrary to the provisions of the Wisconsin Law, the provisions of the Wisconsin Law shall prevail.

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#118612 v1 - RTA ByLaws/Mar06

**RESOLUTION OF THE SOUTHEASTERN WISCONSIN  
REGIONAL TRANSIT AUTHORITY RELATING TO PARTICIPATION  
IN THE WISCONSIN LOCAL GOVERNMENT INVESTMENT POOL**

WHEREAS, through the office of the State Treasurer, the State of Wisconsin has created a Local Government Investment Pool; and

WHEREAS, it is deemed beneficial for the Southeastern Wisconsin Regional Transit Authority to participate in the investment program managed by the State Treasurer;

NOW, THEREFORE, BE IT HEREBY RESOLVED:

FIRST: That the Southeastern Wisconsin Regional Transit Authority participate in the Wisconsin Local Government Investment Pool pursuant to the provisions of Section 25.50 of the Wisconsin Statutes.

SECOND: That the following individuals be designated as the "Local Official" authorized to transfer funds to or from the State Treasurer for deposit in the fund:

<u>Name</u>	<u>Title</u>
Joseph F. Karls	Treasurer
Elizabeth A. Larsen	Deputy Treasurer

THIRD: That the State Treasurer is authorized to accept telephone requests, including facsimile transmissions, for withdrawal of funds.

This is to certify that the following Resolution was adopted by the Southeastern Wisconsin Regional Transit Authority at a meeting held on the 15<sup>th</sup> day of May 2006.


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Karl J. Ostby, Chair


ATTEST:

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David Eberle, Secretary

 *Overview of Benefits of Public Transit and KRM Commuter Rail*

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Regional Transit Authority  
May 15, 2006

#118048

 *Benefits of Public Transit*

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- Provides an alternative mode of more efficient travel for heavily traveled corridors, and densely developed urban communities and activity centers where it is not desirable, or possible to accommodate all travel by automobile.
- Contributes to efficiency in the transportation system, including reduced highway traffic and congestion, air pollution, and energy consumption.

2



## *Benefits of Public Transit—continued*

- Supports and encourages higher development density and infill development and redevelopment which results in efficiencies for the overall transportation system and other public infrastructure and services.
- Provides choice in transportation, enhancing the Region's quality of life and economy.

3



## *Benefits of Public Transit—continued*

- Reduces the necessary household expenditures on transportation, permitting greater household savings, other expenditures, and overall higher standard of living. Positive impact on household quality of life and local economy.
- Essential to meeting the travel needs—work, education, healthcare, shopping—of persons unable to use personal automobile transportation. (16 percent or 61,000 households in Milwaukee County, 8 percent or 5,800 households in Racine County, and 7 percent or 3,800 households in Kenosha County)

4



## *Need for Public Transit*

- About 40 percent of Milwaukee County transit riders do not have an auto available for travel.
  - 15 percent of Milwaukee County transit riders would not be able to travel.
  - 85 percent of Milwaukee County transit riders would find an alternative way to travel—some of which would be more expensive (taxi and auto).

Source: Wisconsin Department of Transportation 2003 survey.

5



## *Need for Public Transit—continued*

- Without Public Transit
  - Those Riders With An Auto As Alternative
    - Increased expenditures on transportation, decreasing quality of life and negatively impacting the local economy.
  - Those Riders Without an Alternative
    - Loss of work with increase in public assistance, unemployment compensation, and food stamps.
    - Increased home healthcare and health insurance costs.

6



## *Need for Public Transit—continued*

- Benefits of Public Transit in Wisconsin Outweigh Costs by Factor of 3.5 to 1
  - 70 percent of benefits are reduced transportation expenditures.
  - 15 percent of benefits are reduced public assistance and healthcare insurance costs.
  - 15 percent are due to reduced congestion, and traffic accidents.

Source: "The Socio-Economic Benefits of Transit in Wisconsin", Wisconsin Department of Transportation, 2003.

7



## *Why Public Transit?*

- Needed in heavily traveled corridors and densely developed urban communities and activity centers.
- Reduces highway traffic and congestion, and attendant air quality pollutants and energy consumption.
- Supports more efficient higher density development.
- Provides desired choice.

8



## *Why Public Transit?— continued*

- Reduces expenditures on transportation.
- Essential to meeting the needs of those without an auto.

9



## *Benefits of KRM Commuter Rail*

- Fast and convenient service
  - Nearly twice as fast as bus
  - As fast or faster than auto for longer trips during congested times
  - Alternative to increasingly congested IH 94
- High degree of reliability
  - Not affected by street and highway congestion
  - Inclement weather will have little or no impact

10



## *Benefits of KRM Commuter Rail (continued)*

- Removes traffic from highway system
  - Trips made on commuter rail would otherwise be made on state highways and IH 94
- Environmental benefits
  - Contribute to reductions in air pollution and energy consumption
  - Encourage higher density and more efficient urban development
- An alternative for travel during reconstruction of IH 94 over next 20 years

11



## *Benefits of KRM Commuter Rail (continued)*

- Improved accessibility
  - Directly connect KRM corridor with Lake and Cook Counties and City of Chicago
  - S.E. Wis. residents would have better access to jobs in Lake and Cook Counties
  - S.E. Wis. employers would have better access to labor force in Lake and Cook Counties
  - Improved accessibility for minority and low-income populations
- Will promote land development and redevelopment around stations
  - Increased land and property values
  - High value residential and office development along with retail and service
  - Improvement in station area neighborhoods will benefit adjacent neighborhoods

12



## *Benefits of KRM Commuter Rail (continued)*

- Promote economic development in the KRM corridor
  - More closely connect Kenosha, Racine, and Milwaukee to each other and to N.E. Illinois and Chicago
  - Improved linkages may be expected to result in more economic and population growth in KRM corridor and in Milwaukee-Racine-Kenosha-Chicago mega-metro area
  - Companies such as S.C. Johnson have indicated importance in retaining and attracting qualified employees

13



## *Benefits of KRM Commuter Rail (continued)*

- Increased safety of travel
  - Fewer property damage accidents, injuries, and fatalities for commuter rail travel compared to bus and automobile travel.
- Potential increased use and flight schedules at General Mitchell International Airport (GMIA)
  - Improved accessibility to GMIA from northeastern Illinois and attendant increased use of GMIA by northeastern Illinois residents

14



## *Benefits of KRM Commuter Rail (continued)*

- Improved accessibility to arts, culture, and entertainment
  - Benefits to area arts, culture, and entertainment—and restaurants and hotels—of improved access within southeastern Wisconsin and connection to northeastern Illinois (potential increase in out-of-state visitors, tourists, attendance and spending).
  - Benefits to area residents of improved access to northeastern Illinois area arts, culture, and entertainment.

15



## *Benefits of KRM Commuter Rail (continued)*

- Improved accessibility to colleges/universities
  - Improved accessibility to colleges/universities within southeastern Wisconsin.
  - Improved access to northeastern Illinois colleges/universities for southeastern Wisconsin residents and businesses.

16



# What are reasonable expectations when commuter rail comes to the KRM Corridor?



February 28, 2006  
Eugene K. Skoropowski  
Managing Director  
Capitol Corridor Joint Powers Authority  
Oakland, California







# Will commuter trains transform this area into 'Paradise'?


Not likely, but it certainly will make life a lot better for the people who live and work here



# What are key ingredients?

- Visionary plan (exciting enough, but buildable)
- Support from residents and businesses
- Political 'champion' 
- A willing freight railroad (if not publicly owned) 
- Source of capital funding, state support
- One entity charged to 'make it happen' 
- Coordination with other services (transit, intercity rail, etc.)
- Having the right demographics 

# What are the KRM strengths?

- Satisfied most of the criteria
- Working on the ones 'not yet done'
- State DOT support is there 
- Existing Intercity Corridor nearby
- Enthusiastic local advocates
- Existing infrastructure
- An organized support group





# What is Haverhill today?



HAVERHILL  
IS THE PICTURE OF PROGRESS



**The Boston Globe** February 12, 2006

By Charlie Russo

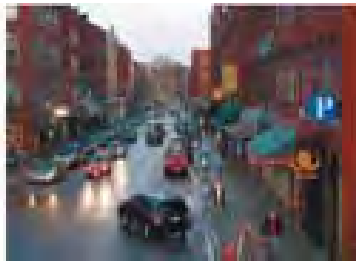
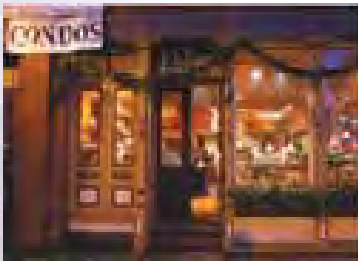
Its funky center already has food and nightlife; now developers are turning old factories into chic housing

- **HAVERHILL -- This small city on the Merrimack River is poised for its second renaissance.**
- "We picked Haverhill because it looked like it was a community that had tremendous potential," said Pamela Goodman, president of Beacon Communities Development. **"It's got the train,** is poised to sort of take off, and has a lot of the basic characteristics that we look for."

Developers say Haverhill has the ingredients they look for: large, brick factory buildings in the heart of a downtown that has

**easy access to a commuter rail station.**

- Another attractive feature: Boston is just an hour away via commuter rail.
- the city has low vacancy rates and rising home values; the median sales price of a condominium more than tripled in a decade, to \$218,000 in 2005
- 



**"All ships rise when the tide comes in"**

- Most important to Haverhill's future development is its growing population. The city's population grew by 15 percent in the 1990s -- more than three times the statewide rate -- and is now at about 60,000.
- "The town is gritty," said David J. Levey, executive vice president for Forest City. "It was a former blue-collar town. But there's been some interesting reinvestment by younger professionals in the area."

## Commuter Rail helps 'bring in the money'

- New residences created from old, empty warehouses and industrial buildings
- Many of the proposed homes are expected to sell to young professional couples and to empty nesters eager for the services and activity of an urban center, but reluctant to pay Boston prices, where the median price for a condo is more than double the cost in Haverhill.



View of  
Merrimack  
Street from the  
Train Station



## Existing Residents Not Displaced

- The door to downtown redevelopment opened in April 2004, when City Council approved a plan by the mayor that allowed shops and offices at street level and homes in the upper floors of downtown industrial buildings.
- "All ships rise when the tide comes in," Levey said. "Haverhill's not back yet, but it's coming, it's going to be there. I guarantee it."



## Comparative stats on Haverhill

	Haverhill	Racine
• Population in 1980:	46,865	85,730
• Population in 2000:	<b>58,969</b>	<b>81,855</b>
• Average Age in 2000:	35.5	34.74
• Median income 1980:	\$15,044	\$18,437
• Median income 2000:	<b>\$49,833</b>	<b>\$37,164</b>
• Aver. 4+ yrs. College:	<b>23.4%</b>	<b>15.5%</b>
• Non-white residents:	24.9%	31.1%
• Aver. Household size:	2.51	2.60
• Home ownership ratio:	60.2	56.7

## Lessons learned?

- CR provides 'visible connection' to major employment, population and financial centers
- CR brings people 'in' to jobs, provides access 'out' to higher paying jobs for residents
- CR can be one of the deciding factors in attracting or retaining businesses
- Miracles do not happen overnight, but you need to start to get to the goal
- Haverhill's 'miracle' took 25 years

## What are KRM advantages?

- KRM route is in a strong metropolitan area
- Wisconsin DOT is a major national leader in passenger rail advocacy
- Passenger rail is now considered as having a significant transportation function
- Proximity to Hiawatha Corridor
- Metra and Hiawatha rail services viewed as being among the best in the nation

# Conclusions

- You have the right ingredients for success
- You know the investment won't be cheap
- You know the benefits are long-range
- You know it will take time and money
- You know this will be a major effort
- You know it is worth the effort
- You know you will be successful

Thank you!

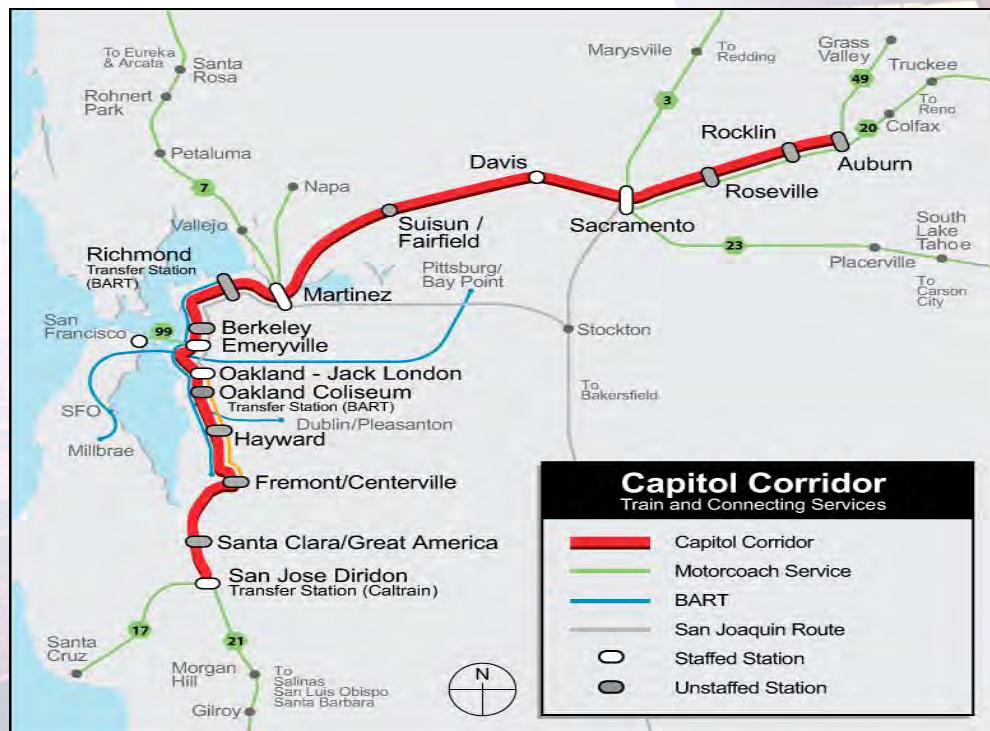


- For inviting me
- For taking the leadership and advocacy role for KRM commuter rail service
- For being a part of a growing national movement to reintroduce passenger rail as an effective component of our regional and national systems of transport

# How about the Capitol Corridor?

- New service started in December 1991
- Broad support from communities served
- Public Investment of about \$2.7 mm/mile (including tracks, signals, rolling stock/shops/stations)
- A willing freight railroad
- Solely state capital funding (voter bonds)
- Source/commitment of operating funds
- No federal participation

## The Capitol Corridor Route – 90 mile ‘core’



# How much does it cost?

- Capital Investment in the entire state program to date: \$2.7 Billion, from all sources

Pacific Surfliner	San Joaquin Corridor	Capitol Corridor
\$1.152 Billion	\$516 Million	\$269 million
Plus \$585 million for rolling stock; \$146 million for maintenance facilities		

- Direct State capital investment is \$1.7 Billion
- Capitol Corridor share: about \$375 million
- Capitol Corridor annual operating subsidy: \$22 million

# Seven Years of CCJPA Improvement

## SEVEN YEARS OF CCJPA MANAGEMENT: CAPITOL CORRIDOR PERFORMANCE SUMMARY

	Service Level	Ridership	Revenue	Revenue to Cost Ratio
FY 2005	24 daily trains	1,260,250	\$15.27 million	43%
Pre-CCJPA → FY 1998	8 daily trains	463,000	\$6.25 million	30%
<b>Seven Year Improvement</b>	+200%	+172%	+144%	43% better

Average Rail Trip is 70 miles

# What is the future in California?

- State cannot continue funding all rail capital needs
- Federal partnership is required for capital investments (80% federal-20%state/local match)
- Population now is 35 million, going to 50 million by 2020
- Roadway mobility almost non-existent in peak hours in urban areas
- Services will likely expand: commuter, intercity/corridor, and long distance national trains

# RTA UPDATE

May 2006

1

## MCTS Service Characteristics

- 85% of all Milwaukee HH's are within walking distance (1/4 mi.) of a bus stop.
- Bus Fleet: 485 low floor accessible buses and 4 Trolley replicas.
- 56 Routes Operated
  - 29 Local
  - 10 Flyer
  - 9 School Day
  - 3 UBUS
  - 5 Industrial Shuttles
  - Contracted Services With Waukesha & Ozaukee Counties

2

## MCTS Service Characteristics

- Service runs 20-22 hours a day, 365 days a year.
- 95% On-time reliability.
- Paratransit/Transit Plus
  - MCTS manages Transit Plus for Milwaukee County serving about 17,000 persons with disabilities making them unable to use our fixed route system.
  - Transit Plus uses lift equipped vans and taxis.

3

## MCTS Employment

- Public/Private Partnership
- Assets of MCTS owned by County.
- Employees all work for MTS, Inc. , a private company.
- 1232 employees, approximately the 35th largest employer in the county. Over 1100 are represented.

4

## Fixed Route Bus Ridership Statistics

Daily Rides: 150,000

'05 Wheelchair Boardings: 45,957

Annual Rides:

- '05: 47,457,417
- '04: 46,525,506
- '03: 47,952,308
- '02: 48,455,302
- '01: 51,306,411

5

## Paratransit Ridership

Annual Rides:

- '05: 1,095,719
- '04: 1,006,204
- '03: 1,060,528
- '02: 1,048,041
- '01: 999,736

6

## Who Rides MCTS?

- Survey of Adult Riders Age 18 and Older, October 2005
- Age: 18-34: 35.5%, 35-64: 50.6%, 65 and over: 13.3%
- Gender: Female: 62.5%, Male: 37.5%
- Ethnicity: White: 48.3%, African-American: 41.3%, Hispanic: 6%, Other: 2.8%

7

## Who Rides MCTS?

- Education:
  - HS Grad: 33.0%
  - Some College or More: 49.4%
  - Some HS or Less: 17.8%
- Household Income:
  - \$28K or More: 25.0%
  - \$11K to \$27,999: 40.3%
  - Less Than \$11K: 19.5%
  - Refused: 15.3%

8

## Why Do They Ride?

- Work: 41.8%
- Shop: 14.8%
- School: 12.0
- Medical: 12.0%
- Job Search: 3.0%
- Other: 15.3%

9

## How Transit Benefits Our Community

- Transit Provides Mobility As Well As Mobility Choices.
- Transit Adds Capacity To Our Transportation System.
- Transit Enhances Economic Activity

10

## Transit Provides Mobility

- About 1 of every 12 Milwaukee County residents will use MCTS today.
- With the City of Milwaukee alone, over 20% of the residents have no drivers license.
- Over 70% of our riders say they have a job or a better job due to transit.

11

## Transit Adds Capacity To Our Transportation System

- Transit needs to be considered an integral part of our regional transportation infrastructure.
- Transit is a cost effective way to move more people per vehicle.
- A transit bus with 35 passengers takes about 30 cars off a street or highway equaling a single line of cars 6 blocks long moving at 25 MPH.

12

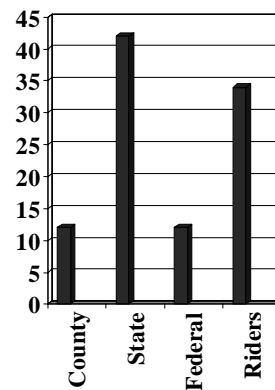
## Transit Enhances Economic Activity

- For every \$1 invested in MCTS, \$4.75 in economic benefits is returned to the community.
- MCTS is like a major mall on wheels.
- Access to transit equals access to jobs and spending opportunities.

13

## MCTS Funding Sources

- MCTS competes for property tax funding with other services such as parks, courts, etc.
- In the past two budgets, MCTS state and county funding was frozen.
- In 2006 WI funding increased 2%.



14

## Funding Sources-MCTS Peers

- Gas Tax
  - Detroit
  - Providence
- Sales Tax
  - Cleveland
  - Columbus
  - Denver
  - Kansas City
  - St. Louis
- Combinations
  - Cincinnati - G/O
  - Indianapolis - S/P
  - Louisville - S/O
  - Minneapolis - P/O
  - Oakland - S/P
  - Pittsburgh - O
- Property Tax
  - Milwaukee

15

## MCTS Effectiveness

■ Category	Peer Avg.	MCTS	v. Avg.	Rank
■ Riders/Mi.	1.96	3.19	162.7%	1
■ Riders/Hr.	27.2	43.0	158.0%	1
■ Riders/Emp.	27,094	51,892	191.5%	1

16

## MCTS Provides More Service Per Capita Than Peers

■ Category	Peer Avg.	MCTS	v.Avg.	Rank
■ Miles	15.5	22.3	144.1%	2
■ Hours	1.0	1.56	156.0%	2
■ Riders	30.4	71.2	233.9%	1

17

## Outstanding Cost Performance

■ Costs	Peer Avg.	MCTS	v. Peer	Rank
■ Per Rider	\$2.81	\$1.52	51.1%	1
■ Per Hour	\$82.52	\$69.41	81.2%	3
■ Recovery	22%	34%	157.2%	2
■ G&A	13%	9%	69.2%	2

18



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## Local car rental tax unfair

By DANIEL MILLER

*Posted: March 20, 2006*

Almost everyone can appreciate efforts to develop painless funding options for important civic projects such as the Wisconsin Center District. However, a recent Milwaukee Journal Sentinel article was somewhat misleading, indicating that some current tax policies are fairly painless to the good citizens of Milwaukee County when they, in fact, are not ("County residents pay small part of district taxes, analysis finds," Feb. 22).

The car rental industry knows that special excise taxes are blatantly unfair not only to out-of-towners but also to local Milwaukee citizens who regularly rent cars for personal reasons.

It's important to note that insurance-replacement car rentals are exempt from these special excise taxes in a well-intended effort to avoid overburdening local citizens while their damaged or broken-down vehicles are being repaired. However, the logic behind this exemption is incomplete.

Every year, tens of thousands of citizens in Milwaukee County rent cars locally to meet specific, short-term lifestyle needs, such as driving kids' teams to games, hauling materials for home-improvement projects or upgrading for special occasions and corporate events. Some even rent because they want to avoid - or simply can't afford - the rising costs of purchasing and maintaining a car.

There's no denying that Milwaukee-area residents, like many other Americans, are renting more cars in their hometown than ever before. This national trend recently was documented by Auto Rental News, the industry's leading trade journal, which noted that the U.S. local rental segment was less than a third of the size of the airport market in 1991.

Only 15 years later, home-city renting nationwide accounts for 54% of the market, compared with 46% generated by airport renters. Closer to home, in a 12-month review ending in January, local residents completed 115,000 car rental transactions at Enterprise Rent-A-Car offices throughout Milwaukee County - and that's only one car rental company.

We are obligated to point out - on behalf of our customers - that car-rental excise taxes unfairly single them out to fund worthwhile projects that benefit us all. Clearly, there is no special benefit for car rental customers, nor is there a direct connection between renting a car and using these facilities or programs. It

is fundamentally unfair that our customers are being forced to carry a disproportionate share of the financing burden and, despite comments to the contrary, are indeed "bearing the brunt of the taxes."

It only makes sense that projects such as the Wisconsin Center District should be supported and funded by everyone in our community, rather than by a limited group of consumers who just happen to rent cars.

All Milwaukee car rental customers and companies already pay broad-based property, payroll and state and county sales taxes. Moreover, many of them also are paying special car rental excise taxes to fund transportation infrastructure and tourism marketing. These same people are paying yet an additional tax - the Wisconsin Center District car rental tax. Plus, there is a \$2-per-rental tax to begin June 1 in Milwaukee, Racine and Kenosha counties to fund a new Regional Transit Authority for the proposed 33-mile commuter rail service.

What other group of local consumers is taxed at such an incredibly high rate?

Make no mistake: We at Enterprise certainly understand that local government represents the cornerstone of our United States, and we fully support the critical role that localities play in protecting consumer and citizen rights. We also respect local officials' authority to pass municipal and county taxes as they deem necessary.

However, we cannot publicly support arbitrary and inequitable taxes that potentially interfere with interstate commerce not only by hindering free trade in the nationwide car rental industry but also by treating in-state and out-of-state renters differently.

It is critically important for all of us to support efforts to enhance our county's quality of life and level of prosperity. We stand ready to work with government, community and business leaders to help identify and support more reasonable, non-discriminatory financing alternatives.

*Daniel Miller is group vice president and general manager of Enterprise Rent-A-Car.*

From the March 21, 2006 editions of the Milwaukee Journal Sentinel

\* \* \*

Doc# 118635