



**Preliminary Engineering/NEPA Analysis
for the
Dane County/Greater Madison Metropolitan Area**

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Minutes

TRANSPORT 2020: IMPLEMENTATION TASK FORCE FINANCE AND GOVERNANCE SUBCOMMITTEE

Wednesday, December 17, 2008

5:30 p.m.

**Madison Municipal Building, Room 300
215 Martin Luther King, Jr. Boulevard
Madison, WI**

-- **ROLL CALL**

Members Present: Sandy Beaupre; Michael Blaska; Rod Clark; Karna Hanna; Chuck Kamp; Dan Larson; Sup. Al Matano; Dan Viste; Dick Wagner.

Members Absent: Lori Kay; Chris Klein; Sup. Scott McDonell; Jeff Miller; Paul Munz; Jim Pulvermacher.

1. **CALL TO ORDER**

Co-Chair Dick Wagner called the October 29, 2008 Transport 2020 Finance and Governance Subcommittee meeting to order. There were no modifications to the meeting agenda.

2. **APPROVAL OF MINUTES FROM AUGUST 27, 2008 SUBCOMMITTEE MEETING**

Chuck Kamp noted that he was not in attendance at that meeting. David Trowbridge said that he would make this change.

The Minutes of the 8-27-08 Transport 2020 Finance and Governance Subcommittee meeting were unanimously approved (*with amendment*), as submitted on a motion by Sup. Al Matano/Lori Kay.

3. **PUBLIC COMMENT**

Bob Schaefer expressed concerns about the cost of the Transport 2020 project. He said that the system would cost even more, if extended over time. He also said that there would be over 8,000 traffic crossings per day with the system, and that these impacts should be considered.

Bill Richardson asked how many UW-Madison employees and students use Madison Metro, given that

they have free service. He also asked about parking at UW Hospital and how many patients use transit to get to their appointments. Chuck Kamp said that he would get that information back to the Subcommittee. Kamp also wished to point out that the service to UW is not “free”, as the University (and students, through annual fees) pay Metro for the use of unlimited ride passes (for UW students and employees) Dick Wagner pointed out that UW Hospital has many employees and that public transit is very important for work trips, in addition to medical appointments.

4. REVIEW OF POTENTIAL FINANCING MECHANISMS CONSIDERED IN THE TRANSPORT 2020 ALTERNATIVES EVALUATION PROCESS

Dick Wagner walked through some information on slides that were presented by Wisconsin Department of Revenue staff at a recent meeting of the State Legislative Council Committee studying regional transit authorities. Wagner noted that the information summarized various taxes that are used in Wisconsin and how the state ranks in comparison to other states - particularly Midwestern states.

(Note: The informational slides referred to can be obtained by request)

In summary, Wagner pointed out that Wisconsin relies on property taxes more than other sources (WI ranks ninth nationally), but that sales taxes are lower than many states. He added that Wisconsin income taxes are ranked 15th nationally.

Wagner also summarized a “consumer reports” rating exercise that was conducted by the Finance and Governance Subcommittee about two years ago, when potential revenue sources for public transit options were being discussed. He said that numerous revenue sources were considered by the Subcommittee for use in advancing public transit initiatives - including sales tax, property tax, personal income tax, employer payroll tax, hotel room tax, auto rental tax, wheel tax, motor fuel tax, etc. Wagner said that, at that time, the exercise concluded that an addition to the existing sales tax was most desirable, for a variety of reasons. He said that each potential revenue sources was judged, subjectively, on a number of criteria – such as the ability to raise enough revenue, relationship to the service being provided, progressivity, administrative ease, public acceptance, regional equity, etc.

(Note: The “consumer reports” matrix can be obtained by request)

Paul Munz said that vehicles already have numerous taxes on them, especially large commercial trucks. He said that he pays \$18,000 in federal excise tax on a new dump truck, before even driving it off of the lot.

Jim Pulvermacher said that, in terms of public acceptance, sales tax levied within the MPO area could be more favorable than a sales tax levied county-wide (and therefore should have a half-circle, not a quarter-circle). Wagner agreed that some of the assessments were individual judgments and could be interpreted differently.

Karna Hanna asked if the criteria had been weighted in any way, noting that some seem more important than others. Wagner replied that the exercise was not intended to be perfect in identifying the best option, but rather to identify if some revenue sources would be non-starters (for reasons like very low public acceptance or inability to provide enough revenue). Karna Hanna also said that a mix of sources should be considered.

Dick Wagner pointed out that a sales tax may not be perfect, but is desirable for use with transportation initiatives. He said that visitors to the area use the local transportation system and sales tax can be used

to assess those system users (rather than taxing the residents only).

Dan Larson asked about a new tax and whether or not a local referendum would be required. Dick Wagner responded that there are different schools of thought on the State Legislative Council Committee that's considering requirements for RTA formation. Wagner added that referendum will be discussed at those meetings and he would report to this Subcommittee on how that issue is resolved.

Jim Pulvermacher said that motor fuel taxes have border issues, noting that people can easily avoid taxes by driving just a little farther. Pulvermacher also said that exemptions or other special provisions could be made with sales tax to help combat border impacts. Paul Munz asked how many counties would be considered for an RTA in this region. Dick Wagner said that, at this time, only Dane County was being considered but that extensions could be made in the future if other communities wished to join.

Jim Pulvermacher said that other fees should be considered, such as collecting parking revenue at park-and-ride lots. Wagner said that these types of options can be considered. Paul Munz noted that the sales tax is collected now, so it would be less expensive to administer than some other revenue sources. Pulvermacher added that it would be very important for the revenues from an RTA sales tax to be segregated so that they could not be taken for anything but the intended purposes (such as transportation).

Dan Larson said that sales taxes are susceptible to economic swings, which can be problematic for ensuring stable revenue streams. Dick Wagner said that the detailed Financial Plan for the Transport 2020 project tested various future financial scenarios, including an economic downturn. He said that the revenue stream from a sales tax was projected to be able to withstand such an economic event, because reserves would be built in some years to cover that.

Sup. Al Matano said that more fuel efficient transportation options are worth investing in. He gave the example of Madison Gas and Electric providing financial incentives for people to buy fuel efficient water heaters, etc. in an effort to use less energy.

Jim Pulvermacher said that sales taxes would be paid primarily by residents of Dane County, but that commuters from outside of the county should pay as well. He said that long distance commuters rely on the transportation system as much as anyone. Pulvermacher said that an employer payroll tax would address that particular issue. He said that some creative thinking about the issue might develop different types of revenue sources.

Sandy Beaupre said that payroll taxes may be a strong disincentive for an employer looking to locate a company in a certain area. She said that a sales tax is desirable in that it is paid at the point of sale, and is not as visible as some other taxes.

Lori Kay said that there is a need for more specificity about the sales tax, and how individuals and businesses would be affected. She said that there could be numerous exemptions that could affect what everyone pays, and that this information needs to be clearly presented to the public. Dick Wagner said that the costs of various services should also be presented.

David Trowbridge said that he would consult with the Co-Chairs regarding the work program and confirm the next Finance and Governance Subcommittee meeting date in the next week or so.

5. ADJOURNMENT

The Finance and Governance Subcommittee adjourned its meeting at 7:00 p.m.