

## CITY OF SHEBOYGAN

### REQUEST FOR TRANSIT COMMISSION CONSIDERATION

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**ITEM DESCRIPTION:** Director's Report

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**REPORT PREPARED BY:** Derek Muench, Director of Transit & Parking

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**REPORT DATE:** 9/4/25

**MEETING DATE:** 9/9/25

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#### FISCAL SUMMARY:

Budget Line Item: N/A  
Budget Summary: N/A  
Budgeted Expenditure: N/A  
Budgeted Revenue: N/A

#### STATUTORY REFERENCE:

Wisconsin Statutes: N/A  
Municipal Code: N/A

#### BACKGROUND / ANALYSIS:

The Director of Transit & Parking presents to the Transit Commission a report of operations for the Transit and Parking Utilities. The Transit Commission is advised of the following processes for several standing items included in this report:

**Reporting** – Shoreline Metro staff filed several reports with the Wisconsin Department of Transportation and the Federal Transit Administration, typically on a quarterly basis.

- Wisconsin Department of Transportation
  - Bus Operations Report
    - Completed and reported quarterly directly to DOT.
  - 85.21 Operations Report
    - Completed and submitted quarterly to Sheboygan County for review and submission.
  - 5310 Vehicle Report
    - Completed and submitted quarterly to Sheboygan County for review and submission.
- Federal Transit Administration
  - Federal Financial Report (FFR):
    - Submitted for each project (application) active with FTA (typically quarterly) related to the expenses and federal funds used towards a project.
  - Milestone Progress Report (MPR):
    - Submitted for each project (application) active with FTA (typically quarterly) related to the status of a project.

## 2<sup>nd</sup> QUARTER OPERATIONS REPORT – 2025

### WISCONSIN BUS OPERATIONS REPORT

Wisconsin Department of Transportation

Quarterly/Year End

DT1489 5/2002

<b>1. MUNICIPALITY/TRANSIT SYSTEM:</b>		<b>CITY OF SHEBOYGAN / SHEBOYGAN TRANSIT</b>					
<b>2. Period Covered (Check One)</b>		<b>Year: 2025</b>					
1st Quarter <input type="checkbox"/> Jan. 1 - Mar. 31	2nd Quarter <input checked="" type="checkbox"/> Apr. 1 - June 30	3rd Quarter <input type="checkbox"/> July 1 - Sept. 30	4th Quarter <input type="checkbox"/> Oct. -Dec. 31	Year-End <input type="checkbox"/> Jan. 1 - Dec. 31			
<b>3. OPERATING CHARACTERISTICS</b>							
A. PASSENGER TRIPS	FIXED ROUTE	DEMAND RESPONSE (PARATRANSIT)					
		ADA SERVICE	NON-ADA SERVICE	ADA AGENCY TRIPS	NON-ADA AGENCY TRIPS	TOTAL AGENCY TRIPS	
REVENUE TRIPS	135,850	1,180	3,221	1,669	884	2,553	142,804
"FREE FARE" TRIPS	3,251	0	0	0	0	0	3,251
TRANSFER TRIPS	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>139,101</b>	<b>1,180</b>	<b>3,221</b>	<b>1,669</b>	<b>884</b>	<b>2,553</b>	<b>146,055</b>
<b>B. PASSENGER REVENUE</b>							
PASSENGER REVENUE	\$68,162	\$3,540.00	\$9,663.00	\$33,380.00	\$17,680.00	\$64,263.00	\$132,425.00
<b>C. VEHICLE MILES</b>							
REVENUE MILES	136,810	13,667	19,692				170,169
TOTAL MILES	141,506	15,141	21,815				178,462
<b>D. VEHICLE HOURS</b>							
REVENUE HOURS	9,235	1,066	1,535				11,836
DRIVER PAY HOURS	10,013	1,238	1,783				13,034
<b>E. GALLONS OF FUEL</b>							
GALLONS OF FUEL	23,615	2,018	2,908				28,541
<b>F. EXPENSES</b>							
						<b>TOTAL EXPENSES</b>	<b>\$1,061,125.00</b>
						<b>CONTRA EXPENSES</b>	<b>\$0.00</b>
						<b>NET EXPENSES</b>	<b>\$1,061,125.00</b>

*Derek Muench*

(Transit Director)

23-Jul-25

(Date)

*Ann Koeller*

(Prepared By)

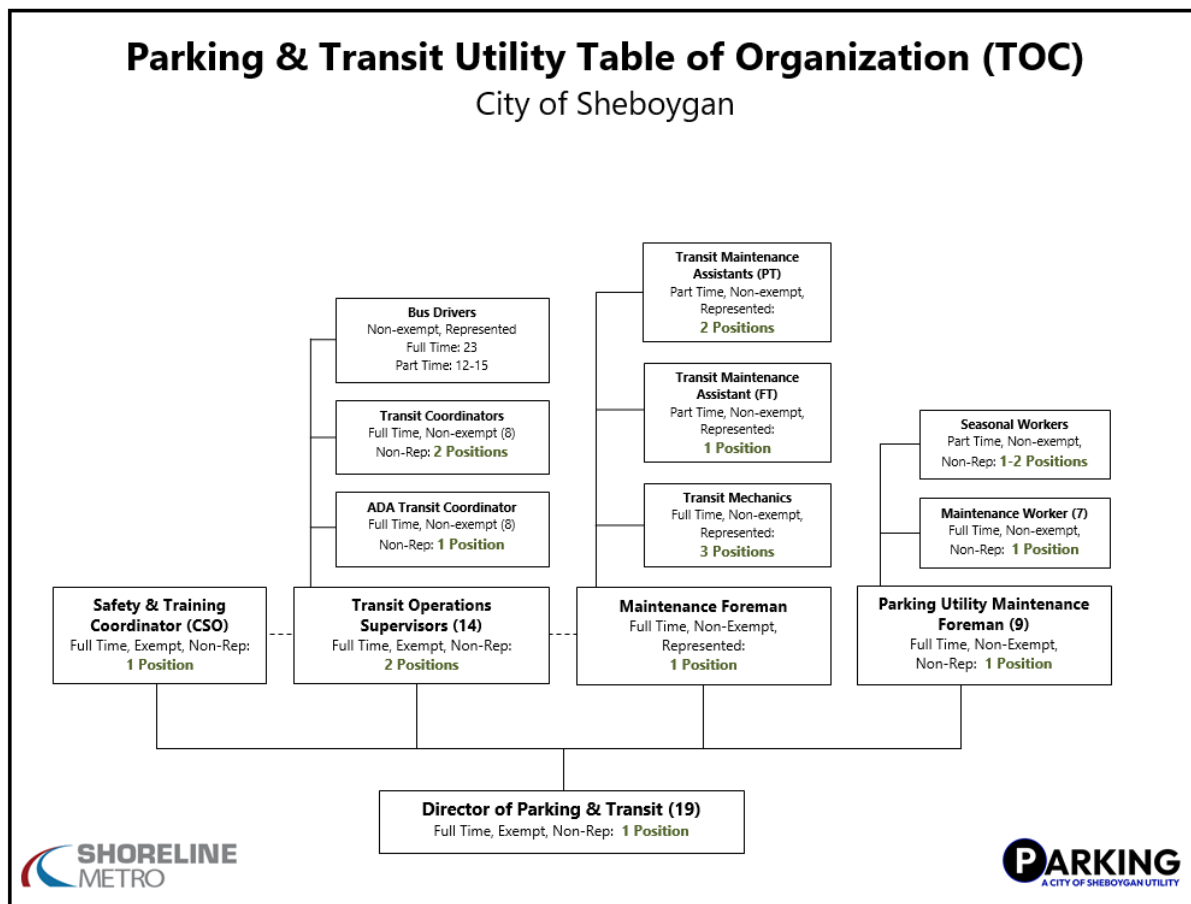
7/23/2025

(Date)

**Financials** – Shoreline Metro staff (Director) review expenses and revenues on a regular basis, typically bi-monthly and quarterly. Financial reports are reviewed for accurate expenses and revenues. Inaccuracies are reported to the Finance Department with a recommendation for resolution.

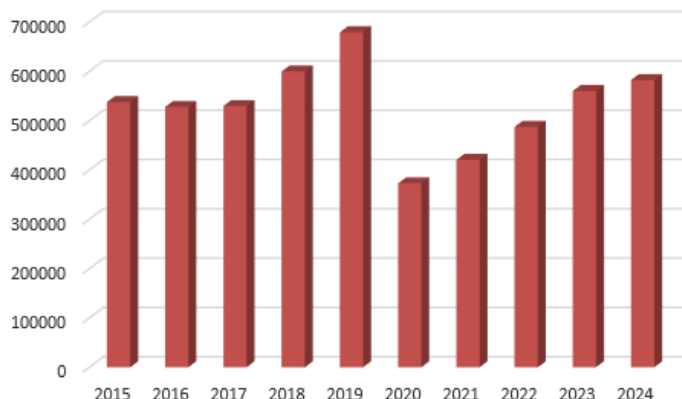
- Invoices
  - Paid within 30-days by staff
  - Payables are reviewed for approval by the Director
  - Approved payables are then sent to Finance for review and payment.
- Revenues/Fares/User Fees
  - Collected in accordance with departmental policies:
    - Fareboxes – twice a month (15<sup>th</sup> and last day)
    - Office Sales – daily
    - Meters – twice a month (some monthly/quarterly)
    - Grants/Reimbursements – direct deposit is processed by Finance.
  - Deposited at Wisconsin Bank & Trust
  - Credited to appropriate budget accounts as soon as possible by Finance.

**Personnel** – Shoreline Metro staff address personnel needs on a regular basis. Bus drivers are the most common position available with recruitment occurring almost monthly. Bus drivers are hired as needed and based on abilities and qualifications. Staff positions are filled as needed. The following is the current Table of Organization for the Parking & Transit Utilities:

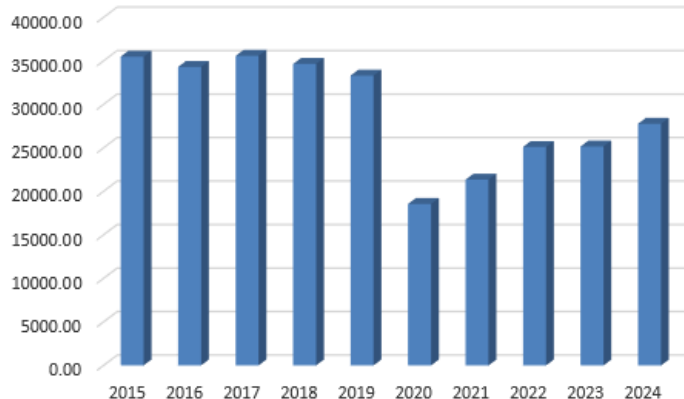


**Ridership** – The count of physical passenger trips taken with Shoreline Metro (red diagram) and Metro Connection (blue diagram) is known as ridership. For Shoreline Metro, a trip is counted every time a customer boards a bus. For Metro Connection, a trip is counted every time a customer completes a one-way trip. Ridership is highly influenced by socio-economic factors, weather, and emergencies. It is also a product of affordable fares, reliable service, safe travel and dependability.

**Shoreline Metro Ridership – 2015 to 2024**



**Metro Connection Ridership – 2015 to 2024**



## DIRECTOR COMMENTS:

The Director of Transit & Parking presents the following items as advisory and information.

### Personnel:

- **Terrell Watson and Damir Hadrovic** have joined the Shoreline Metro team since the last meeting. Terrell has successfully obtained his CDL and has been approved for revenue service in late August. Damir has obtained his learner's permit and continues to train for his CDL.
- **Kelly Belz** has been offered a position with Shoreline Metro as a driver. Her start date was Monday, September 8, 2025.
- **Jon Steffes, Leonard Hensch and Kim Joiner** have accepted full-time fixed route driver positions recently. They were all part-time drivers previously.
- **Wendy Wilson, Florentino Soto, Florentino Soto, Jr. and Kim Ackley** have all resigned or retired from Shoreline Metro since the last meeting. We wish all of them the very best in future endeavors.
- **Antoinette Corona-Murphy** has retired from Shoreline Metro after over 25-years. We will definitely miss Toni on our team and wish her nothing but the best in retirement.
- Shoreline Metro is currently recruiting for a Maintenance Assistant.
- Shoreline Metro has paused its hiring of additional drivers at this time (full staff).

### **Operational Items/Updates:**

The following items are provided as operational updates related to transit and parking services provided by the department.

- **Third Quarter Team Meetings** were held on July 16<sup>th</sup> for all employees covering operations, training and safety.
- **Route 20 (Sheboygan Falls/Kohler)** has resumed public transit service on Saturdays. By adding this service, we have eliminated scheduling issues with Metro Connection, and opened up additional opportunities for customers to readily and easily access these communities without having to schedule a trip.
- **P1 Powerboat Midwest Challenge Service** was provided on the weekend of August 9-10. Ridership started out very strong right away in the morning of Saturday, August 9<sup>th</sup> with several customers parking and riding at 3 Sheeps and South High School. However, weather later in the day would cause service to be suspended early for the day. Service on Sunday, August 10<sup>th</sup> started out as scheduled, but due to weather it was suspended and then later canceled for the day as boat races and other events canceled. We were very excited for a great weekend of service, but that quickly capsized when weather hit the area.
- **Fall Transit Conference** is coming up October 4-6 in Rochester, Minnesota. This is a joint public transit conference with the State of Minnesota. Staff from Shoreline Metro will be attending the conference.
- **2025-2026 SASD School Year** started this past Monday. Operations are very similar to last school year with bus passes being available later this month for students and faculty. Passes are required started October 1st in order to ride free on Shoreline Metro. Staff held a meeting with drivers to cover operations and expectations, especially because many drivers are new with some in new positions this school year. We very much appreciate this partnership with SASD and the support we get from the Sheboygan Police Department.
- **The Director and Supervisors** attended Ethics Training and ADA Coordinator training at City Hall since the last meeting (as required by Human Resources).
- **Several Personnel Issues** had to be addressed during the last couple of months involving misconduct in the workplace. One investigation led to an employee resigning unexpectedly. Due to the nature of these investigations and being personnel matters, no additional information will be provided at this time.

**Action:** Staff recommends accepting the Director's Report provided by the Director of Transit & Parking and placing on file.

## **TRANSIT COMMISSION AGENDA ITEM COMMENTS:**

The following items are on the Transit Commission agenda for consideration and approval and are not a part of the Director's Report. This information is provided by the Director of Transit and Parking and is for your consideration. Please consult this information prior to making any motions or approvals.

### **PRESENTATION OF 2026 TRANSIT UTILITY BUDGET**

The 2026 Shoreline Metro budget has been submitted to the City Administrator for inclusion into his Executive Budget for 2026. The Director has met with several staff to review the submitted budget and answer any questions pertaining to changes in the proposed budget. The following are summary points of the budget for your consideration:

- A placeholder for represented employees for wage increases has been included in the budget. Due to ongoing bargaining with the ATU Local 998, these figures are not being made public.
- All non-represented employees have been budgeted wage increases in accordance with the non-rep comp plan.
- A 10 percent increase for health insurance and 5 percent increase for dental insurance have been factored into the budget (at this time, those exact figures are still not confirmed by HR).
- Due to proposed (and passed) legislation at the federal level, CDBG (HUD) grant funding has been zeroed for 2026 (loss of nearly \$43,000) to the local share funding.
- Farebox revenues for both fixed route and paratransit have been adjusted due to increases in fares that go into effect on January 1, 2026.
- A half percent to the Wisconsin Retirement Funding expense has been included in the budget.
- Sheboygan Falls/Kohler service agreements have been adjusted to include three increases: loss in CDBG funds, loss in federal funding, and increases to transit expenses.
- CARES Act/ARPA grant funds will be used to offset the deficit in the transit budget (currently at \$119,788).

**Action:** The Director recommends the support and approval of the 2026 Transit Utility budget for inclusion in the City's 2026 Executive Budget for the City of Sheboygan.

### **PRESENTATION OF 2026 PARKING UTILITY BUDGET**

The 2026 Parking Utility budget has been submitted to the City Administrator for inclusion into his Executive Budget for 2026. The Director has met with several staff to review the submitted budget and answer any questions pertaining to changes in the proposed budget. The following are summary points of the budget for your consideration:

- All non-represented employees have been budgeted wage increases in accordance with the non-rep comp plan.
- A 10 percent increase for health insurance and 5 percent increase for dental insurance have been factored into the budget (at this time, those exact figures are still not confirmed by HR).

- Revenues for meters and permits have been adjusted due to better than anticipated in 2025.
- Assessments in most all districts remained relatively the same as 2025.

**Action:** The Director recommends the support and approval of the 2026 Parking Utility budget for inclusion in the City's 2026 Executive Budget for the City of Sheboygan.

### **2026-2030 CAPITAL IMPROVEMENTS PROGRAM FOR PARKING AND TRANSIT UTILITIES**

The 2026-2030 CIP for Transit and Parking has been submitted to the City Administrator for inclusion into his Executive Budget for 2026. The Director has met with several staff to review the submitted program and answer any questions pertaining to changes and additions to capital needs. The following are summary points of the budget for your consideration:

- The budgeted five (5) fixed route, heavy-duty buses programmed in 2027 have received grant funding through the Congestion, Mitigation and Air Quality Control (CMAQ) program in the amount of \$2.1M. This amount represents 80 percent funding with the local share being 20 percent (\$525,000).
- The Shoreline Metro Admin and Maintenance Facility is now included in the five-year plan for administrative and illustrative purposes. By including this in local planning documents, it makes applying for and receiving possible funding much more possible. It's unsure whether this project will stay on schedule or get pushed back in future five-year plans.
- All other projects have been included in previous program cycles.

**Action:** The Director recommends the support and approval of the 2026 CIP Program for inclusion in the City's 2026 Executive Budget for the City of Sheboygan.

### **CDBG AGREEMENT FOR 2025-2026 GRANT CYCLE**

Shoreline Metro applies annually to receive Community Development Block Grant (CDBG) funding through the federal HUD program. The funding goes to support increased frequency and accessibility to Shoreline Metro for a particular low-income sector of Sheboygan located just west and north of downtown Sheboygan. The agreement is the formal acceptance of the CDBG funding to support operations as part of the local share match for Shoreline Metro's annual operations budget. The amount is equal to \$42,493.00.

**Action:** The Director recommends the support and approval of the agreement and further authorizes the Director to sign the agreement on behalf of the Transit Utility and Sheboygan Transit Commission.

## **SERVICE AGREEMENT WITH SHEBOYGAN FALLS AND KOHLER**

New service agreements with the City of Sheboygan Falls and Village of Kohler are attached for consideration. Service agreements have been adjusted to include three increases: loss in CDBG funds, loss in federal funding, and increases to transit expenses. Increases to the local share for these partnering municipalities represent a 13 percent increase. Agreements have been signed by each respective municipality, which means service will continue as normal in 2026.

**Action:** The Director recommends acceptance and approval of the service agreements with the City of Sheboygan Falls and Village of Kohler for transit service.

## **SECOND QUARTER REPORTS FOR TRANSIT AND PARKING**

The Director of Transit & Parking is submitting these reports for consideration by the Transit Commission. When reading this report for transit operations, please do not put much emphasis on individual quarterly metrics. Many factors influence ridership (winter during first quarter as an example) and expenses (annual purchases such as insurance paid during first and second quarter).

Here is a summary Second Quarter reports:

- Transit Utility:
  - Shoreline Metro ridership was down 7.0 percent for Q2.
    - Ridership is trending down for 2025 over 2024
    - Ridership may be impacted by the discontinuation of students being able to use the SASD Bus Pass in evenings (punch cards given in their place); this has reduced joyriding and unfortunately, reduced ridership.
    - Quality over quantity – less complaints and issues with students and customers
  - Metro Connection ridership was down slightly at 0.3 percent for Q2.
    - Ridership trending even with 2024
  - Revenue was down 5.1 percent for Q2.
  - Expenses were up 9.6 percent in Q2.
- Parking Utility:
  - Permit revenue is up about 25 percent over 2024 Q2
    - Permit revenue is up over 13 percent YTD over 2024
  - Meter revenue was down nearly 10 percent in Q2.
    - Meter revenue is down about 2 percent YTD over 2024

## **END OF REPORT**