



REGIONAL TRANSIT DIALOGUE

Finance Subcommittee Meeting

July 14, 2009 – 1:30 p.m.
ACOG Board Room, 21 E Main St., Suite 100
Oklahoma City, OK 73104

Chair: Bob Rader, Executive Vice President, Capital West Securities
Vice Chair: Russell Smith, Mayor, Midwest City

Attendees

Rick Cain – COTPA
Rod Cleveland – Cleveland County
Steve Commons – Edmond
Terry Hawkins – Phillips Murrah, P.C.
Tom Sherman – Norman Chamber of Commerce
Russell Smith – Midwest City
Mark Williams – AT&T Oklahoma
ACOG Staff Liaison—Kara Chiodo
Other ACOG Staff – Ryan Billings, Daniel Fazekas, Holly Massie, Doug Rex, Susan Yingling

Guests

Larry Hopper – COTPA

Summary

I. Introductions

Mr. Smith welcomed everyone and committee members introduced themselves. Mr. Smith explained that he would serve as chair for the meeting because Bob Rader was currently in the hospital.

II. Summary of June 17 Steering Committee Meeting

Ms. Chiodo gave an overview of the PowerPoint presentation that Mr. Rader had presented to the Steering Committee at their June 17 meeting. This served to both fill in subcommittee members who had not been able to attend the Steering Committee meeting, and also to review the subcommittee's progress to date.

III. Results from Encompass 2035 Transportation Survey – Financial Questions

Ms. Chiodo presented the results of several questions dealing with funding from the Encompass 2035 Transportation Survey, recently conducted by ACOG. The questions allowed the subcommittee members to get an idea of the public's acceptance of various transportation funding mechanisms.

IV. Discuss List of Funding Sources

Ms. Chiodo gave a brief explanation of several handouts covering possible transit funding sources. The first was a categorized list of funding sources by type. The second summarized advantages and disadvantages of many of the sources on the list. The third evaluated performance factors of the funding sources such as revenue yield and technical feasibility.

The group discussed the idea of a “buy-in fee” that could augment a base tax throughout the region for operating and maintenance costs. Each community could pay a certain amount per year for each station in its boundaries, and the community could decide how to come up with these funds. This would let each community choose a funding source most acceptable to its residents.

The group discussed the advantages and disadvantages of fare-free transit systems. Farebox collections typically cover about 15% of operating costs. It was suggested that it might be worthwhile to forego that revenue by planning for a fare-free system without the hassle of fare collection and accounting. However, it was also suggested that potential riders might not respond well to a free system because they might not feel they are getting something of value. Ms. Chiodo suggested that a hybrid type of system is also a possibility; certain areas or routes could be free but others would have a charge. Several peer cities have a system like this.

The group discussed the possibility of raising property taxes as a funding source. While it was noted that property taxes are unpopular, it was agreed that property taxes provide a steady income source, especially because of state statutes allowing valuation increases each year.

The group discussed the feasibility of using TIF districts. Mr. Sherman said that TIF districts are not permanent funding sources because of the time limits. Thus, they would be better suited for raising funds for capital projects than to provide a permanent source of funding for operations.

The group discussed sales taxes and asked ACOG staff to find out how much revenue a sales tax could generate in the region. It was stated that a 1% sales tax in Oklahoma City would generate about \$100 million per year (the approximate annual operating/maintenance costs estimated by the Fixed Guideway Study), but this figure will have to be verified and figures for the rest of the region will need to be determined.

V. Discuss Possibility of a Joint Meeting with the Governance Subcommittee

After some discussion, it was decided that a joint meeting between the Governance Subcommittee and the Finance Subcommittee would be beneficial to both groups. It was decided that dates after the next Steering Committee meeting, scheduled for August 26, would work best. Ms. Chiodo said that she would consult with the ACOG staff for the Governance Subcommittee to set a date for this meeting.

VI. Discuss Items for the Next Finance Subcommittee Meeting

Mr. Rex suggested having a conference call with representatives from one or more peer cities to allow the Subcommittee members to ask questions about the funding structures in these cities. Ms. Chiodo said she was extracting data from a Transportation Research Board database of peer city transit funding structures that would be available for the Subcommittee members at the next meeting.

VII. Set Next Meeting Date

The next meeting date was set for Friday, August 21, at 10:00 a.m. in the ACOG Conference Room at 21 East Main Street, Suite 100, Oklahoma City. The meeting was then adjourned by Mr. Smith.