



REGIONAL TRANSIT DIALOGUE

Finance Subcommittee Meeting

August 21, 2009 – 10:00-11:00 a.m.
ACOG Conference Room, 21 E. Main St., Suite 100
Oklahoma City, OK 73104

Chair: Russell Smith, Mayor, Midwest City
Vice-Chair: Vacant

Finance Subcommittee Mission: Recommend a flexible, robust funding system, covering both capital and operating expenses, for a regional transit authority in Central Oklahoma.

Attendees:

Steve Commons—City of Edmond
Mark Pritchard—COTPA
Tom Sherman—Norman Chamber of Commerce
Russell Smith—City of Midwest City
ACOG Staff Liaison—Kara Chiodo
Other ACOG Staff—Holly Massie, Meredith Williams

Summary

I. Introductions

Mr. Smith, Vice-Chair, welcomed everyone and the attendees introduced themselves. He mentioned for those who may not have heard that Chairman Bob Rader had passed away since their last meeting.

II. Discuss/Elect Chair and Vice-Chair

Mr. Sherman nominated Mr. Smith to take over the Chair position permanently. There were no other nominations for chair, and the committee voted unanimously for Mr. Sherman to be

Chair. The committee decided to postpone electing a vice-chair until a future meeting when more members could be in attendance.

III. Discuss Sales Tax Rate Table

The committee discussed a handout with a sales tax rate table for the communities in the OCARTS area. Mr. Sherman stated that because new sales taxes can be controversial, it would be better to institute a permanent sales tax instead of a model such as that of Dallas, where the sales tax must be voted on for renewal every 3-5 years. There was discussion of a possible disconnect between growth in sales tax revenues and growth in costs to operate the system—if sales tax revenues did not grow at least as fast as the system's operating/maintenance costs, there would be a funding shortfall if sales tax was the main revenue source. By creating a revenue stream sufficient to fund operations costs at a future, higher level than initially needed, a second vote to raise the tax rate could be avoided.

IV. Discuss Property Tax Information

The committee discussed several handouts with information about average property taxes in Oklahoma and specific millage rates in Oklahoma and Cleveland counties. Central Oklahoma's property tax rates are relatively low, and there is room to raise them while still maintaining a reasonable rate, but some committee members felt that support for increased property taxes would be harder to get from the community than increasing sales tax rates. It was agreed that the ad valorem tax base should not be ignored and that the key to any ad valorem increase was to keep it at a modest amount. A fairly steady revenue from property taxes could help if sales tax revenues dropped temporarily.

V. Discuss Fare-Free Transit Resources

Since the idea of forgoing revenue from farebox sources had been discussed at previous meetings, the committee discussed several handouts covering current events and research into fare-free transit systems. An extensive report from the Center for Urban Transportation Research suggested that a fare-free policy can work well for smaller transit systems or on a portion of larger systems, but is not appropriate to implement for large systems region-wide. Mr. Pritchard mentioned that for choice riders, fare is typically not an issue: what matters most is convenience and efficiency. Soon, Smart Card technology should make transit fare collection much easier than it is presently.

VI. Discuss Items for Steering Committee Meeting, August 26, 1:00 p.m.

Ms. Chiodo and Mr. Smith agreed to collaborate on a PowerPoint presentation for the Steering Committee which would touch on the Finance Subcommittee's completed and future milestones.

VII. Discuss items for the Joint Finance-Governance Meeting

Ms. Chiodo agreed to collaborate with Ms. Williams, the ACOG staff liaison for the Governance Subcommittee, on a list of discussion topics for the joint Finance-Governance Subcommittee meeting.

VIII. Set Date for Joint Meeting

Three dates were discussed for the joint meeting: Wednesday, September 2; Friday, September 4; and Wednesday, September 9. September 4 was removed from the options after the committee realized that it was the Friday before Labor Day weekend. The committee agreed to present the remaining dates to the Governance Subcommittee for their consideration before a final date was set.

IX. Adjourn

The meeting was adjourned by Mr. Smith.