

**CORVALLIS CITIZENS ADVISORY COMMISSION ON TRANSIT
MINUTES**

January 12, 2005

Members Present

Scott Carroll
Emily Hagen, City Councilor
Bob Lowry, Chair
Robert Straus, ASOSU
Lita Verts, Vice-Chair
Robert E. Wilson

Absent

Brandon Trelstad
Bjorn Warloe

Staff

Steve Rogers, Public Works
Jim Mitchell, Public Works
Jon Katin, Public Works
Michelle Rhoads, Public Works

Visitors

Ali Bonakdar, Corvallis Area
Metropolitan Planning Organization
(CAMPO)
Carl Switzer, CAMPO
Casey Schaufler, Associated
Students of Oregon State University

SUMMARY OF DISCUSSION

Agenda Item	Inform- ation Only	Held for Further Review	Recommendations/Action
Introductions	X		
Approval of Minutes - December 8, 2004			Approved.
CACOT/Visitors Comments	X		
City Proposal to ASOSU for FY 05-06 Group Pass Program			Motion passed to recommend use of the methodology outlined in option four of the staff report, to be used as a guide on developing the actual dollar amount.
Updates to the Draft Transit Master Plan		X	
Information Sharing	X		
Adjournment	X		

CONTENT OF DISCUSSION

I. INTRODUCTIONS

CACOT members, staff and visitors introduced themselves.

II. APPROVAL OF MINUTES - December 8, 2004

Commissioners Bob Wilson and Scott Carroll, respectively, moved and seconded that the Commission approve the minutes. The motion passed unanimously.

III. CACOT/Visitors Comments

Carl Switzer of the Corvallis Area Metropolitan Planning Organization (CAMPO) gave a history on his employment background. He has worked in social programs for the city of Eugene and for the city of Cambridge, Massachusetts doing municipal recreation and work force development programs. Realizing that he wanted to work in the transportation field, Carl went back to school. He was employed by Parsons-Brinkerhoff, a large consulting firm in Portland, Oregon, for the past four years. He has been with CAMPO in Corvallis for the last week.

IV. City Proposal to ASOSU for FY 05-06 Group Pass Program

Jon Katin referred to the staff report distributed to the Commission. The main question centers around a possible Commission recommendation for a student transit group pass program fee increase and, if recommended, the amount of the fee increase. Last year the undergraduate and graduate senates of the Associated Students of Oregon State University (ASOSU) agreed to pay \$1.85 per student per term for Corvallis Transit System (CTS) rides during the 2004-05 school year. CTS has been asked by the ASOSU Student Incidental Fee Committee to do all possible to avoid any increases to its budget. Last year there was a 5 cents increase which raised the fee from \$1.80 to \$1.85 for CTS. The increase was based solely upon the increase in the number of OSU students using the services over the prior year, which was an increase from 39% to 43% of all CTS ridership. Jon mentioned at the time that the fares were being reviewed by CACOT and the City Council and that we anticipated increases in the fares; however, no additional increase would occur in the OSU group pass program for the 2004-05 school year.

In Fall 2004, the Commission recommended that the City increase the price of the full CTS adult fare from 60 cents to 75 cents, an increase of 25%. The increase was approved by the City Council. Katin asked the Commission for its recommendations on a fair increase to ASOSU student incidental fees. Katin referred to four of the potential alternatives available to the Commission:

1. Keeping the fees at status quo with no increase. Katin feels this method would place a disproportionate burden on other revenue sources.

2. A 30% increase in fees. This is based on an average of the recent increases to other CTS fares.

3. A flat 30 cents increase. This is based on the recent increase in price of a full CTS adult fare for one round trip.

4. Use a formula consisting of the previous year student ridership, the current adult fare, a discount rate applied to the fare and then factored over the estimated number of fee paying students for the next year to determine the student fee. Based on OSU student ridership being 43% of overall CTS ridership, Katin took the 75 cents for an adult fare and factored in the 70% group pass discount. He multiplied this by the number of passengers and came up with a figure of \$115,545. This is the amount that the City would ask for under this option and it would represent less than 10% of the CTS operating budget.

The City was instructed by ASOSU to consider OSU's student enrollment at 16,700 students per term for fall, winter and spring semesters. This is a decrease of 900 students per semester from the enrollment figures used to calculate FY 03-04 fees. The summer term's enrollment was also decreased, from 5,600 to 4,500. Using the new 54,600 students figure for next year, the cost would be 2.12 cents per term per student. As mentioned earlier, this would be a 27 cents fee increase. Katin pointed out the fee increase would be only 13 cents if the student population numbers had not decreased from last year for ASOSU budgeting purposes.

Katin's recommendation is to accept option 4, a fee increase of 27 cents per student per term. This would raise the current CTS fee of \$1.85 to \$2.12.

Lita Verts asked when the proposed increase would take effect. Katin clarified the increase would take effect in the fall term of 2005.

Robert Straus asked Katin about the effects of keeping the status quo, option 1. Katin responded that this would mean the additional costs of operations would fall to other revenue sources. Bob Wilson added that it could also result in a change of service.

Steve Rogers said another way to look at it is that it would be a bigger discount. The discount for the ASOSU group pass program would be greater than the current 70% if the student fees remained the same. He also pointed out prior to last year, CTS was always paid by OSU based on the actual number of students which was traditionally higher than the estimated number. If CTS calculated a lower figure, it was not an issue because at the end of each year CTS was paid based on the actual number of students. During the current contract, OSU wrote the contract based on a firm total dollar amount based on the estimated amount of students. Because this number has always been lower than the

actual amount of students, CTS is receiving less, relative to previous years.

Casey Schaufler expressed concern that it was the student senate's impression that, with the agreement last year of the five cents increase with CTS, there would not be a further increase in calendar year 2005. Once the student fees book is approved and sent to OSU and to the Student Senate, it is impossible to increase fees. The student fees book is considered part of the state budget and is passed on to the state legislature. Increases can only be accepted once per year. While this increase would be only 27 cents, it would be but one possible fee out of hundreds. Budgeting guidelines are distributed every year, and it is anticipated there will be a decrease in enrollment in the 2005-06 school year.

Schaufler went on to say his committee has been questioned as to the exact reason for the proposed increase in fees. One Senator told him that increased student ridership alone should not result in increased fees. This merely means students are accessing services they are currently paying for. The senates are going to be very fiscally conservative and any proposed increase in fees will be very carefully scrutinized. Every committee member and senator will ask what services will be expanded in conjunction with an increase in fees.

Bob Lowry clarified to Schaufler that all CTS passenger fares were increased, not just student fares. Costs are increasing because of fuel and wages.

Schaufler responded that in the past it seemed that the issue of increasing costs was not presented clearly enough to the senates. Rather, increased ridership seemed to be the main focus. Schaufler urged the Commission to have an OSU fee committee member participate in preparing the presentation for a fare increase. That committee member could then be informed enough to present the proposal in a clear and confident manner to the student senates and fee committee. He also suggested Katin be available for questions at the senate meeting.

Scott Carroll asked Schaufler if he knew where the money went last year when there was a difference between estimated student fee collections and actual collections, as in the case with CTS receiving less than expected because of a difference in how student population was used in budgeting versus invoicing. It was Schaufler's experience that student fee projections were traditionally a "low-ball" figure. Most budgets actually receive more money using this method.

Michelle Rhoads noted in years past there was a "reconciliation" of payment from OSU to CTS each Spring to make up for the difference in projected student enrollment and actual enrollment. She asked Schaufler if he could find out what happens with the additional money

left over from student fees collected and what was actually paid to CTS.

Jim Mitchell said he would like to see this be a straight "pass through" situation in which the OSU collects the fees from the students and passes it directly to CTS. This would eliminate the need for estimating student enrollment. Lowry said estimating is fine for budget planning purposes but not prudent for actually handing out dollars. He noted the increased ridership along Witham Hill which forced CTS to add additional services in past years.

Schaufler said enrollment figures come from the management office and registrar's office. This year's figure came from the Memorial Union's Business Office. The projection figured in this year's enrollment and applications for next year. The state of Oregon is requiring OSU to submit its budget much earlier this year. Budget planning is occurring now, in years past it has been done in the spring term. His fear is that by projecting enrollment too high, there would be a decrease in budget funding for the following year. Budget guidelines stipulate the overall budget must stay at 0% increase or it must decrease. With fewer students, there would be a need to increase fees per student in order to maintain services to students.

Bob Wilson observed that the cost of providing services doesn't stay at 0% increase from year to year even if the budget guidelines require that. Lita Verts pointed out that in order to maintain ridership on peak routes, CTS needs to receive funding from OSU based on actual numbers of students using the services.

Steve Rogers said it was his feeling that less student enrollment would mean less total rides. There would not be as much "elasticity". If, like in prior years, there was the availability of a reconciliation so that CTS could recoup the difference from actual rides and estimated rides, there could be a lesser increase.

Bob Lowry pointed out that if CTS is not tied to a student enrollment-based contract with OSU, if the need arises for CTS to add services because of increased student ridership, CTS is not compensated for additional services. Schaufler said he understood this and again reiterated the need for CTS to present these points in a clear way that OSU student senates can understand.

Bob Lowry asked Schaufler how many members are on the incidental fee committee. Schaufler answered it is a seven member committee, with three non-voting members. The student senate meetings typically draw least 50 people, this number includes visitors. Jon Katin pointed to the multi-layered process. First is the incidental fees committee, then the appropriation budget committee and ultimately the undergraduate and graduate senates. Schaufler clarified the processes.

The fee committee is presented to first, with both senate chairs. Then it's taken to both Appropriations and Budget (A and B) Committees. It won't be taken to the senates unless the A and B Committees recommend that the changes be made. It is then introduced to the senates as a bill. The senates have a yes/no decision over the bill.

Emily Hagen asked Schaufler to clarify the process of why in certain instances there is no reconciliation process. Schaufler answered that there are two types of fees, student fees and incidental fees. Budgets which go strictly on actual enrollment are university psychological services and student health services.

Katin reminded the Commission that Robert Straus of ASOSU is now a voting member of CACOT and qualified to help provide information to the student senates during the budgetary process. He also asked Schaufler if he would be willing to meet with the Commission to help brainstorm regarding the presentation. Schaufler agreed to do so.

Lita Verts said she would like to revisit the idea of reconciliation of funds between CTS and OSU. She agreed it would be important to minimize increased costs to the students but that the budgeting process should also be fair to the City. Michelle Rhoads said ASOSU would have influence over the process because this is ASOSU's Group Pass Program. The current contract covers the OSU administration's Group Pass Program for faculty and staff as well as the ASOSU Group Pass Program.

Commissioners Verts and Wilson, respectively, moved and seconded the motion that the Commission recommend option four to the ASOSU student fees committee, as outlined previously. Information about an alternate pricing method based upon actual enrollment should be included in the proposal. Option four would be accepted as a basis for accepting the numeric methodology used to set the total fee to be collected. No actual numbers were actually agreed upon. The motion passed unanimously.

Emily Hagen asked Jon Katin if he would define different increases and costs. Katin said another option to use would be to use last year's budget amount as a model but plug in this year's numbers. He anticipated an increase because of diesel prices this year, the contract with Laidlaw and the general fare increase causing the need to maintain equity. Jim Mitchell said another method to consider would be to use the reconciliation method as a lump sum adjustment to the contract. CTS would be put into a risk position of carrying costs which may not have been paid for by ASOSU during the current year.

V. Updates to the Draft Transit Master Plan- CACOT member comments to be distributed during the meeting

After reading CACOT member comments, Lita Verts asked for clarification of the wording "encourage future city development along transit corridors". Michelle Rhoads answered that in general transportation terms it means where bus routes exist, that is considered a transit corridor. The CACOT member who proposed the language is suggesting the City encourage developers to locate along existing route services. This would eliminate the need for the City to expand the route system. Businesses would be brought to the routes instead of the other way around. Rhoads gave an example. A semiconductor company decided to build a new facility in Eugene, Oregon, but located it away from the existing route service. Many employees of the company wanted to use bus service to and from work. Lane Transit District was forced to expand its services to go to this place of business. Jim Mitchell added that once a corridor is defined, the City should encourage businesses to locate along the corridor.

Discussion ensued regarding another CACOT member comment regarding the stated goal of 15 minute transit frequency of service within 20 years. The Commission was asked for their thoughts on revising language in the Transit Master Plan to read the goal for providing 15 minute service to occur within 10 years. All Commissioners agreed with this language change.

Mitchell brought attention to the comment put forth stating they would like to see one of the criteria for determining where a corridor is to include lower-density residential districts. There might have to be a service reduction elsewhere because of the low-density area being serviced. To design a corridor to feed into a lower-density residential area doesn't seem to be viable. Lita Verts said one reason to consider such a plan is the fact that senior centers could be located within such a lower-density residential area. Mitchell added that low-density residential being a criterion for defining where a corridor would be is the fact that a roadway system is typically not adequate for services. Mitchell's recommendation is to not include lower-density residential as an item on the list to consider for establishing a transit corridor.

Mitchell pointed to a comment about alternative fuels. Currently, Public Works uses bio-diesel for the Public Works fleet. CTS does not currently use bio-diesel because of the impact on the school district with the joint fueling station at Laidlaw. The cost for bio-diesel is approximately 20 cents more per gallon. City Council has directed Public Works to use bio-diesel for its fleet in conjunction with the City's sustainability plan. Michelle Rhoads said CTS already uses low-sulfur diesel. She clarified that there are two separate fuel tanks at

Laidlaw which potentially could be used to store two different types of diesel.

Bob Lowry said he does not feel comfortable closing the discussion portion of the Draft Master Plan process until all members have had a chance to comment. He and Jim Mitchell suggested carrying over discussion to the February CACOT meeting. The members all agreed to carry over the discussion to February.

VI. Information Sharing- Written report enclosed

Michelle Rhoads provided transit-related information from the 2004 Citizen Attitude Survey. Page 3 lists that the number of citizens who have used CTS services with an increased satisfaction level has increased 6 percentage points over the prior year's survey results. On page 7 of the survey, the percentage of survey respondents reporting city transit services as very valuable or somewhat valuable was 83.7%.

CTS ridership went down slightly for the month of December 2004. OSU was on winter break for three full weeks in this month. Holiday Trolley ridership per hour in 2004 improved over 2003. It's productivity is consistent with the past five years' average.

Rhoads asked for input regarding the idea of CTS moving away from transfers on the buses and going to day passes. This would eliminate the need for drivers to have to determine if a rider is actually entitled to a transfer or if they are trying to avoid paying for two fares. Both the Salem and Eugene transit districts have begun using day passes which are sold by drivers on the buses. The money is deposited into the fare box. Both districts are extremely pleased with the results of the elimination of transfers. The cost of the day pass is double the cost of a one-way fare. Bob Lowry shared a story in which he was in Eugene and wanted to make only a transfer yet was forced to buy a day pass. Rhoads sought to gauge the Commission's interest in further pursuing the idea of day passes. The Commission was interested in further exploring the idea.

Jim Mitchell suggested that staff will find out if the City's Finance Department would accept selling of day passes on the buses before having further discussion among Commission members.

VII. Adjournment

The meeting adjourned.

Future Meetings:

Wednesday, February 9, 2005 8:00 a.m., City Hall Conference Rm. D
Wednesday, March 9, 2005 8:00 a.m., City Hall Conference Rm. D
Wednesday, April 13, 2005 8:00 a.m., City Hall Conference Rm. D