

January 10, 2018

**Chairman Greg Bell**  
Utah Transit Authority  
*Via email*

**RE: Letter of Concern Regarding BYU-UVU Transit Passes and Fare Discount Policies in General**

Dear Chairman Bell,

I wanted to express my deepest concerns about the procedures used by the UTA to recently enter into a long-term agreement with BYU and UVU to provide transit passes to all students, employees, and their family members. I support transit pass programs in principle and agree this announcement was exciting in many ways, but I believe that this contract is another example of inadequate governance at the UTA.

**1) The UTA Board did not have any role in reviewing or approving this costly, sweeping, long-range contract, and in fact learned about this contract via the news media along with the rest of Utah**

When I asked UTA staff why the Board was not involved in reviewing or approving a contract that extended hugely-discounted transit passes to potentially hundreds of thousands of people for 10 years, they informed me that UTA policy granted the CEO authority to negotiate **and** approve all such contracts unilaterally. I also learned that this policy did not establish a single numerical parameter as to price, amount of discount, or contract length, etc. in which the CEO had to operate. The CEO can set these contracts at any discounted price and any length, and then turn around and approve them as well. **This is not what proper checks and balances look like**, and the CEO should not be negotiating and approving such consequential agreements that bind the Agency to supplying tens of millions of dollars in largely uncompensated transit service without any Board oversight and approval.

**2) UTA executives greatly exceeded the written scope of UTA Board of Trustees Executive Limitations Policy No. 2.1.2 “Fare Discounts,” as there is no allowance or provision *whatsoever* to expand transit passes programs designed specifically for “students” or “employees” to *also include* family members**

Executive Limitations Policy 2.1.2 governs discount pass programs. And while there are not any numerical parameters, there are some group parameters of who are eligible for these discounts. The opening of the policy clearly states: “The General Manager *shall not* discount fares established by the Board of Trustees *except for:*” (emphasis added). This policy is an “executive limitations policy,” which is a common type of policy passed by a board, in which the board allows the executives of the agency to exercise certain powers that belong to the board (the right to approve a contract, for example), but the policy creates written **limits** of how far the executives can use the board’s authority.

In this case, the UTA Board has clearly stated that fares “shall not” be discounted *except for* the 5 items listed below. Paragraphs 1 and 3-5 all refer to special groups or circumstances (e.g., persons with disabilities, economically disadvantaged persons, or promotional events, etc.). It is Paragraph 2 that allows the General Manager to discounts passes for: “educational institutions, employers, and organizations which purchase annual transit passes for students, employees, or members, respectively.” The passes are clearly for those specific three groups “respectively,” and **there is no authorization whatsoever to discount passes for “family members” of students or employees.** And as this is an “executive limitation policy,” it is designed on purpose to limit how far the executive can operate, and the written text must not be exceeded. I believe the CEO took authority he did not have in unilaterally granting discounted transit passes to family members of university students and staff, when the Board limitations policy makes no such allowance. **While I support university transit passes in principle, the agency executives still must follow UTA policy. Takeaway: The process matters in a democracy.**

Executive Limitations Policy No. 2.1.2

**Fare Discounts**

The General Manager shall not discount fares established by the Board of Trustees except for:

1. Service Providers for the Economically Disadvantaged for distribution to assist homeless and economically disadvantaged persons to become self reliant.
2. Discount Transit Pass Programs by contract with educational institutions and other employers and organizations which purchase annual transit passes for students, employees, or members, respectively, at rates that encourage ridership.
3. Persons with Disabilities to encourage such persons who are functionally able to use fixed route service to do so.
4. Promotions to encourage ridership, inaugurate new services, test new marketing techniques, or promote special events.
5. Special Considerations which provide transit services to persons needing special consideration.

Effective Date: October 22, 2003

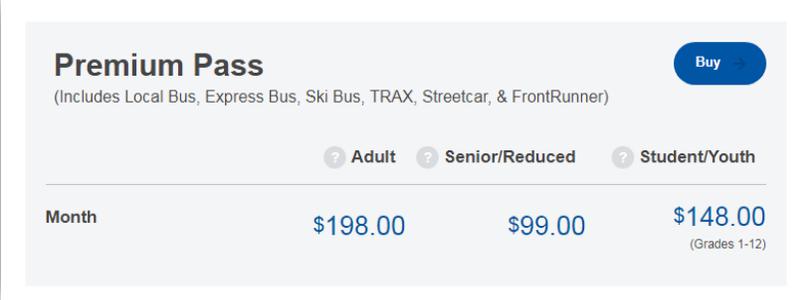
Adopted by R2003-10-05

**Revision History**

**3) The cost of the passes offered to BYU and UVU are wildly disproportionate to the cost of similar passes available to the taxpayers of Utah who fund UTA**

As each school has well over 30,000 students and many employees and family members, I use the widely-reported estimate of 100,000 persons to make the following per capita cost calculations for the passes. As the universities are each paying \$1 million annually for the passes, that gives a cost of \$20 per pass. Let’s look how that student pass cost compares to what we charge others.

First, a **typical Utah taxpayer** pays \$198 per month for the same premium UTA pass, or \$2,376 per year. **\$20 vs. \$2,376.** Meanwhile, a grade 1-12 student gets a discounted pass at \$148/month or \$1,776 per year. \$20 vs. \$1,776. Lastly, a senior citizen, an individual with low income, or a person with disabilities qualifies for “reduced” pass at \$99/month or \$1,188 per year. \$20 vs. \$1,188 per year.



	Adult	Senior/Reduced	Student/Youth
Month	\$198.00	\$99.00	\$148.00 <small>(Grades 1-12)</small>

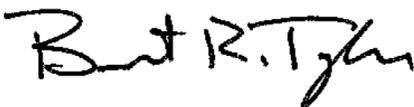
**Another way of looking at this: it takes only 842 Utah taxpayers who buy annual UTA passes at the full price of \$2,376 to pay the same \$2 million that UVU and BYU are paying for their 100,000+ students, employees and family members to all receive annual passes.** While the comparison is admittedly not perfect, because certainly not all BYU and UVU students will use these passes, the massive disparity in cost is still astonishing and wrong. In September 2017 the UTA disclosed that university students account for 31% of UTA riders, but that their pass programs only pay 16% of revenues. The unprecedented discounts given to BYU and UVU and the unprecedented inclusion of family members will only increase this disparity. Meanwhile, Utah taxpayers keep telling me “UTA is too expensive.”

## Conclusion

I repeat: I support university pass programs in principle, but I do not support a process for approving them that is done without Board oversight and involvement and that includes agency executives overstepping written boundaries, and I do not support discounts that are out-of-this-world different than what we offer to Utah taxpayers who foot most of the bill for this agency.

The UTA Board has become a rubber stamp for agency executives, and must reassert its authority over and management of this agency. This contract was negotiated and approved out of the public eye by UTA executives, then presented to the public before the Board even knew about it. I call on the Board to hold the executives who negotiated this agreement and overstepped their policy boundaries accountable, to void and renegotiate this contract, to review & strengthen discount policies, and to conduct a full financial analysis of the university pass programs and see if they should continue to be subsidized so much, while Utah taxpayers struggle to pay for UTA fares at dramatically higher rates.

Very Sincerely,



Mayor, North Ogden City