

Legislation Text

File #: BILL NO. 19-62, **Version:** 1

An Ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

(NOTE: First Reading by Council on March 19, 2019. Passed by unanimous vote.)

Issue/Request:

An ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

Key Issues:

- The City of Lee's Summit has contracted with the Kansas City Area Transportation Authority (KCATA) since 1999 for a commuter bus service, Lee's Summit Express, between Lee's Summit and downtown Kansas City.
- The service currently under contract with KCATA provides four morning trips departing from Lee's Summit to downtown Kansas City, and four afternoon return trips, especially for those that commute to/from Kansas City for work. Changes proposed in this contract will reduce the number of vehicle trips in the morning and afternoon from four to three vehicle trips effective April 1, 2019.
- The cost to Lee's Summit for the 2019 contract with the KCATA for the Lee's Summit Express Commuter Service and KCATA administration of OATS operating contract for RideKC Lee's Summit demand response transit service on behalf of the City will be \$60,784. This is a nine (9) month contract effective April 1, 2019, that replaces the current month-to-month contract with KCATA. The local matching funds will be paid from the Transportation Sales Tax Fund as programmed in the City's Capital Improvements Plan and approved by City Council as part of the FY2019/20 budget.
- The cost of services to the City provided under this contract with KCATA is \$28,806 less than the cost of services covered by the existing month-to-month contract with the KCATA that it replaces for the remaining 9 months of 2019.
- Lee's Summit will obligate \$185,716 of its Federal Transit Administration Section 5307 Funding allocation to the KCATA for eligible operating and capital costs associated with these transit services.

Proposed City Council Motion:

SECOND MOTION: I move for adoption of an ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

Background:

Since 1999, the City of Lee's Summit has contracted with the Kansas City Area Transportation Authority (KCATA) to provide a commuter bus service from the park-and-ride lot at Chipman Road and US50 Highway in Lee's Summit to various points in downtown Kansas City, Missouri. Originally, this service provided three morning trips to downtown Kansas City and three afternoon return trips to Lee's Summit during the workweek (Monday through Friday). A fourth trip each way was added in 2008 to address the increase in ridership. This KCATA bus route is identified as Route 550, formerly Route 152.

The Public Works Committee discussion in October and November of 2018 included recommendations to change this Commuter Express Service to size the capacity to reflect demand that is more current without displacing users. This change in service schedule as proposed in the subject contract would reduce the number of vehicles in circulation from four bus trips to three bus trips, while meeting current demand, to reduce cost of service. This change in service was reviewed and supported by staff and KCATA. The Livable Streets Advisory Board also reviewed and concurred with the proposed changes at its November 2018 and January 2019 meetings.

A cost reduction would help offset the increase in cost experienced to maintain existing demand response transit services operated by OATS in the transit program. An interim, month-to-month contract to continue 2018 services in 2019 was approved by City Council in early January. At that time the City Council expressed its support for the recommendations of staff, KCATA, and Public Works Committee to draft a contract for the aforementioned service changes covered by this proposed contract. Specifics associated with considered schedule and ridership impacts were shared with the Public Works Committee in January prior to KCATA drafting the agreement and advertising the schedule changes publicly. Additional discussion regarding transit-planning, study and fixed route concepts can be referenced in the associated files attached to the packet.

The number of busses for the Lee's Summit Express Commuter Service will be reduced from four to three effective April 1, 2019, if this contract is approved. The days and general hours of service for Lee's Summit Express Commuter Service will remain the same as it was in 2018 under this contract (and the same as in current operation under the month-to-month contract recently approved). The change in capacity will reduce the cost of service and still meet current ridership demand. The demand for service has experienced a decrease in the last few years. The proposed change in departure times and arrival times is based on KCATA recommendations from an assessment of current ridership and capacity. The first and last scheduled trip in the morning and afternoon will not be changed. The scheduled trips between the first and last will be combined; eliminating one trip in the morning and afternoon. The morning and afternoon reverse commute trip will not be changed. KCATA began public notification of these changes in early February through various bulletins, pamphlets, on-site meetings, and other media releases.

The KCATA has submitted the proposed contract for the Lee's Summit Commuter Express Service and

administrative fees to the City. The cost for these services for the remainder of 2019 (9 months) would be \$52,824. This contract would replace the recently approved month-to-month contract with KCATA that continued 2018 service (four morning trips and four afternoon trips) at a projected cost of \$81,630 for the remainder of 2019 if the subject contract is not approved. The new contract and schedules reduce by \$28,806 for the remainder of 2019 (9 months) while maintaining a comparable level of service.

The KCATA has also included a proposed management fee of \$7,960 for the administration of a contract between the City of Lee's Summit and OATS and federal funding for 2019. This management fee is approximately 3% higher than the same fee in 2018. As the designated administrator of Lee's Summit's FTA funds, the KCATA will apply available FTA funding and necessary administrative requirements of the FTA towards eligible OATS operation and capital costs of transit service contracted by the City. This fee facilitates the demand response transit services, RideKC Lee's Summit, under a contract with OATS as the operator of such service.

The total cost of proposed transit services by the KCATA to the City of Lee's Summit in this agreement is \$60,784 for 9 months of service, effective April 1, 2019. The first quarter of 2019 is already under a contract with KCATA approved by the City Council that may continue on a month-to-month basis if the proposed contract is not approved. The agreement also obligates a total of \$185,716 in Lee's Summit FTA Section 5307 federal funds to the KCATA for transit services of which \$45,660 covers eligible capital expenses (the other portion is for eligible operating expenses). Additional information regarding the City of Lee's Summit Urbanized Transit Area (UZA) designation and Federal Transit Administration (FTA) fund allocation for transit services can be referenced in the associated files attached to the packet. The Lee's Summit FTA Section 5307 Fund allocation balance in 2018 was over \$1,000,000; a sufficient amount of federal funds are available for the obligation proposed in this contract with KCATA. The City pays for the balance of the service costs from its Transportation Sales Tax fund.

Impact/Analysis:

This contract will reduce transit service provided by KCATA from 4 morning and 4 afternoon bus trips to 3 morning and 3 afternoon bus trips and reduce associated costs of service to the City of Lee's Summit by \$28,806 for the remainder of 2019, beginning April 1.

The transit program budget (\$317,000) in the approved CIP for FY2019 is provided by the Transportation Sales Tax Fund. The local funding match includes transit costs for KCATA operated Lee's Summit Express, contracted RideKC Lee's Summit demand response transit operated by OATS, and KCATA administrative fees for program management of federal funds.

The contract for RideKC Lee's Summit demand response transit service operated by OATS was approved by City Council in January for an amount not to exceed \$242,000, but that actual charges below the not to exceed amount are charge to the City based on actual ridership. So the actual expense to the City may be less than \$242,000 if ridership declines.

The total proposed 2019 (calendar year) transit program costs to the City of Lee's Summit for KCATA operated Lee's Summit Express, RideKC Lee's Summit demand response transit operated by OATS, and KCATA administrative fees would be approximately \$330,000. This includes expenses already incurred, or under

contract, for the first quarter of 2019 that precede the effective date of this contract.

This contract for Lee's Summit Express service and the KCATA administration fee is \$60,784 of the estimated \$330,000 total transit program costs to the City in 2019. There is the potential that the actual transit costs will exceed the amount allocated in the CIP by \$13,000. This cost can be covered money turned back at the end of the year for programs that did not spend the full amounts allocated in the CIP. This re-allocation would be accomplished through the annual budgeting and CIP processes.

Transit ridership had continued to decrease on the express service and significantly increase on the demand response service (RideKC Lee's Summit operated by OATS) in Lee's Summit. The express transit service generally meets commuter needs and has excess capacity based on current ridership trends. The attached exhibits depict ridership trends for KCATA commuter service and the proposed schedule of operation.

Timeline:

Start: April 1, 2019

Finish: December 31, 2019

Michael Park, PE, PTOE, City Traffic Engineer

Staff recommends approval of an ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

The Public Works Committee February 26, 2019 was canceled.