

Legislation Text

File #: BILL NO. 24-009, **Version:** 1

An Ordinance authorizing the execution of an intergovernmental agreement for transit services, and management of OATS contract and vehicles, 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 services and capital expenses, and authorizing the Mayor to execute an agreement for the same. (PWC 1/8/24)

Issue/Request:

An Ordinance authorizing the execution of an intergovernmental agreement for transit services, and management of OATS contract and vehicles, 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 services and capital expenses, and authorizing the Mayor to execute an agreement for the same.

Key Issues:

- The Kansas City Area Transportation Authority ("KCATA") is a public agency authorized by law to plan, own, operate, have and generally deal with public transportation systems and facilities in the KCATA District.
- The City Council of the City of Lee's Summit, Missouri ("City") desires to promote the convenience, comfort, prosperity, general interests and welfare of its citizens by providing a sound, efficient and viable public transportation system to its citizens.
- Since 1999, the City of Lee's Summit contracted with the KCATA for the Lee's Summit Commuter Express bus service between Lee's Summit and downtown Kansas City, Missouri.
- The commuter express bus service provides fixed schedule trips departing from Lee's Summit to downtown Kansas City, Missouri in the morning and afternoon return trips.
- The City and the KCATA desire to enter into a cooperative agreement as set forth in the attached Contract for Transit Service and Management of OATS Contract and Vehicles that continues the Lee's Summit Commuter Express Service and provides for the KCATA administration of transit for the City of Lee's Summit associated with OATS Transit contracted by the City of Lee's Summit.

Proposed Committee Motion:

I move to recommend to City Council approval of an Ordinance authorizing the execution of an intergovernmental agreement for transit services, and management of OATS contract and vehicles, 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 services and capital expenses, and authorizing the Mayor to execute an agreement for the same.

Proposed City Council Motion:

I move for a 2nd reading of an Ordinance authorizing the execution of an intergovernmental agreement for transit services, and management of OATS contract and vehicles, 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 services and capital expenses, and authorizing the Mayor to execute an agreement for the same.

SECOND MOTION: I move for adoption of an Ordinance authorizing the execution of an intergovernmental agreement for transit services, and management of OATS contract and vehicles, 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 services and capital expenses, and authorizing the Mayor to execute an agreement for the same.

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. This service provides three morning trips to downtown Kansas City and three afternoon return trips to Lee's Summit during the workweek (Monday through Friday). This KCATA bus route, currently named the Lee's Summit Express, is identified as Route 550.

The City regularly reviews and renews transit contracts with KCATA to provide the appropriate level of service based on user demand while keeping costs for services within the City's budget. This review found that current and projected ridership demands do not necessitate a change in service, so the days and general hours of service will remain the same for the Lee's Summit Express Commuter Service if this contract is approved. The service currently under contract with KCATA provides three morning trips departing from Lee's Summit to downtown Kansas City/Crown Center, with the exception of one (1) trip doing the reverse trip, and three afternoon return trips departing from downtown/Crown Center to Lee's Summit, with the exception of one (1) trip doing the reverse trip.

There is currently no fare for riders using the Commuter Express Service and this has been the case since 2020 when KCATA eliminated the fare requirement for all KC Metro services to improve customer service and ridership. The ability to charge no fares is a temporary benefit resulting from CARES Act COVID relief funding. There have been recent talks to reinstate fares on bus routes, including the Commuter Express Service due significant cost increases and the expiration of CARES act funding. No additional information is available at this time regarding if or when fares may be reintroduced.

The KCATA has submitted the proposed contract for the Lee's Summit Commuter Express Service and administrative fees to the City for a period from January 1, 2024, through December 31, 2024. These dates coincide with the OATS on-demand, local transit service agreement contract period. The cost for these services for 2024 is \$38,910.

The KCATA has also included a proposed management fee of \$8,000 for the administration of a contract between the City of Lee's Summit and OATS and federal funding for 2024. As the designated administrator of Lee's Summit's Federal Transit Administration (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 fee also supports the KCATA's administration of Lee's Summit's federal funding from the FTA.

The total cost of proposed transit services by the KCATA to the City of Lee's Summit in this agreement is \$700,575 for 12 months of service, effective January 1, 2024. This amount includes \$653,665 for service operating cost, \$38,910 for service capital cost, and \$8,000 for transit program administration cost. The locally funded cost of services to the City provided under this contract with KCATA is not to exceed \$46,910, with the local funds coming from the Transportation Sales Tax fund. Any other remaining costs will be covered by Section 5307 Funds appropriated to the City. This agreement authorizes KCATA to receive the local 5307 allocation for transit services.

Recently, the standard funding sources described above have been supplemented by CARES Act funding allocated to the City for transit. This local allocation was administered by the (FTA) using a prescribe funding formula. These CARES Act funds will be use to replace the City's local funding match. In recent years, the available CARES Act Funds paid for 100% of the operating costs for the first year and a portion of the first renewal term. CARES Act funding is projected to cover the 2024 local match described in this agreement.

In addition to covering operating expensed, this agreement include money for capital asset purchases, federal program administration costs, and transit management expenses. \$38,910 is included for capital asset expenses to help replace aging vehicles. Fleet management and purchases will be handled by KCATA to service Lee's Summit. The City also contracts with KCATA to administer the FTA funding. Administrative costs include grant applications, obligating federal funding, grant administration, federal compliance activities, reporting, etc. Management expenses cover activities such as staffing, scheduling, fleet management, etc. The cost for administration and management of the OATS contract will be \$8,000 for the year.

The total cost to Lee's Summit for the 2024 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 \$46,910. This is a twelve (12) month contract effective January 1, 2024, that replaces the current contract with KCATA.

Impact/Analysis:

This contract is for transit service provided by KCATA for three (3) morning and three (3) afternoon bus trips

(including a reverse trip for each period), beginning January 1, 2024, through December 31, 2024. This contract also covers costs for KCATA administration of Lee's Summit FTA Section 5307 Funds and Transit CARES Act Funds and management of Demand-Response Transit Service operated by OATS. This contract can be extended for an additional two (2) one-year periods at a 3% increase in service cost per year by mutual agreement with KCATA.

The transit program budget (\$430,000) in the approved CIP for FY2024 is provided by the Transportation Sales Tax Fund. It does not include federal funding. It is only the amount of local funding necessary, when combined with matching federal funds (as applicable), to provide the contracted services. 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 is concurrently proposed for approval by City Council for an amount not to exceed approximately \$357,000, but actual charges are based on ridership. So the actual expense to the City may be less than \$357,000 if ridership declines. Current local contribution will be paid using CARES Act Funds.

The total proposed 2024 (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 \$403,910.

The budget is sufficient for these services, and has been established in the unlikely event CARES Funds are rescinded. With CARES funding that remains programmed, the budget far exceeds costs and balance will roll to future years in the Transportation Sales Tax Fund.

Timeline:

Start: January 1, 2024

Finish: December 31, 2024

Susan Barry, PE, PTOE

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 and CARES Act Funds to the KCATA for transit service and capital expenses.

Committee Recommendation: The Public Works Committee voted unanimously 4-0, to recommend to City Council 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 and CARES Act Funds to the KCATA for transit service and capital expenses.

