

McKINNEY URBAN TRANSIT DISTRICT BOARD

FEBRUARY 28, 2017

The McKinney Urban Transit District Board met in session the John and Judy Gay Library, 6861 Eldorado Parkway, McKinney, Texas on February 28, 2017 at 4:00 p.m.

Board members Present: Brian Loughmiller, Randy P. Pogue, Chuck Branch, Don Day, Tracy Rath, Travis Ussery, Jason Little, and Derek Borg. Board member Rainey Rogers arrived at 4:45 p.m. Appointed Board member absent: Derek Stephens.

City of McKinney Staff Present: City Manager Paul Grimes; City Attorney Mark Houser; City Secretary Sandy Hart; Director of Strategic Services Chandler Merritt; McKinney Economic Development Corporation - Darrell Auterson, Abby Liu, Chad Walker, and Madison Clark; Video Production Technician Joey Barr; and Housing and Community Services Manager Janay Tieken.

There were approximately 110 guests present.

Brian Loughmiller called the meeting to order at 4:10 p.m. after determining a quorum present.

- 17-216** Oaths of Office. City Secretary Sandy Hart administered the Oaths of Office.
- 17-217** Board member Loughmiller called for Consideration/Discussion/Action on the Adoption of the McKinney Urban Transit District (MUTD) Bylaws. Council unanimously approved the motion by Council member Travis Ussery, seconded by Council member Randy P. Pogue, to Approved the adoption of the McKinney Urban Transit District (MUTD) Bylaws
- 17-218** Board member Loughmiller called for Election of Officers. Board unanimously approved the motion by Board member Rath, seconded by Board member Pogue, to elect Brian Loughmiller as Chairman. Board unanimously approved the motion by Rath, seconded by Board member Pogue, to elect Chuck Branch as Vice Chairman. Board unanimously approved the motion by Board member Pogue, seconded by Board member Little, to elect Tracy Rath as Secretary.

17-219 Chairman Loughmiller called for Consideration/Discussion/Action on Adoption of an Interlocal Agreement Between the McKinney Urban Transit District and the City of McKinney. Board unanimously approved the motion by Board member Day, seconded by Board member Borg, to approve the adoption of an Interlocal Agreement between the McKinney Urban Transit District and the City of McKinney, as amended.

17-220 Chairman Loughmiller called for the North Central Texas Council of Governments Presentation Regarding Funding. Mayor Loughmiller stated that the process for an urban transit district allows us to seek funding through the State of Texas for transit-oriented issues. Our district has up to \$312,000 available for localized funding from the state. Sarah Chatterton, Principle Transportation Planner North Central Texas Council of Governments (NCTCOG) gave a presentation on how public transit funding works. The funding provides for ongoing regular and shared ride transportation. The goal is to have more than one person per vehicle to get the most efficient service. Two options for transportation are demand response and fixed route. Federal funding requires local money to be used in the form of a local match. Local funds can be obtained from cities, counties, donations, any local money not coming from federal level funds. State money can also be used to access that federal money through the Texas Department of Transportation. The McKinney Urban Transit District boundary is determined by the population and demographics from the 2010 census. If our population goes over 200,000 in the 2020 census, those boundaries will change. If that occurs, the match funding remains the same but the categories you are eligible for are different. This money can be used for capital expenses, maintenance and planning. Federal funds can cover 80% of your capital expenses. The funding can also be used for operating expenses. Once we go over the 200,000 population, the dollar amount provided to our area is capped based on how much service we provide and the types of

service we provide in the urban transit district. The local share can be calculated by ridership, the actual number of trips per riders' home jurisdiction, by service quantity, the measured vehicle hours in each jurisdiction, or by population. In the directly operated service, the urban transit district would buy the vehicles, provide the drivers, and provide the maintenance. With the service contract option, the urban transit district would rely on contractors to provide those services and may separately contract for maintenance or lease/purchase of the vehicles. A third option is turnkey contracts where the urban transit district simply administers a contract. Chairman Loughmiller stated that when we are talking about calculation of local share, one thing we will have to discuss is the way to calculate the local share between the different entities. Perhaps City managers and staff can get together and come up with recommendations to bring back to the Board on how to deal with this issue.

- 17-221** Mayor Loughmiller called for Discussion on Transit Presentations.
- Mr. David Leininger, Executive Vice President and Chief Financial Officer and Todd Plesko, Vice President of Planning and Development for Dallas Area Rapid Transit (DART), stated that DART has been in business since 1983 and serves 13 cities within a 700-square mile service area. DART was asked to step in and provide temporary service to the McKinney area when TAPS pulled out at the end of 2015. The NCTCOG contributed \$600,000 and Toyota contributed \$1 million to continue the DART service for a sufficient amount of time for the communities to sort out what they needed to do to provide transportation service for on-demand service. Because DART has been able to lower the cost per ride by utilizing subsidies, they have been able to extend the service for a longer amount of time, through 2017 and possibly into 2018. The DART service plan is structured around the presumption that the participating jurisdiction is going to submit a contract for some type of

service for a period of three to four years. At the end of that time they will be able to make a decision as to whether they want to join DART or not. The City would not be doing any investing in terms of capital until you have completed the service plan. Most entities do not invest in the vehicles but rather contract that out to a vehicle service. Mr. Leininger stated he could easily see a service that utilizes Uber, Lyft and taxi service for the on-demand options. That program is managed through DART's technology platform. There are three basic ways a transit district can engage with DART. A city can join as a full 1% DART city. An election is required and the joining date would be negotiated. The second method is a local government corporation dedication of less than 1% revenue. Under this method, the capital and operating costs are funded by the dedicated revenue source. All modes of transportation may not be available under this approach. The third method is a contracting relationship with DART Local Government Corporation. Under this method, the capital and operating costs are funded by the contract. The term of the contract must be long enough to offset the capital costs. The advantages of moving forward with DART include funding through the Toyota grant, the ability to assist the McKinney Transit District in starting the tax program, and the Collin County Rides program for seniors and disabled patrons is cost effective, quickly implementable and available today. DART recommends the first service offered by the McKinney Transit District is the on-demand service for eligible seniors and persons with disabilities. One of the most cost effective methods would be to join with Allen, Fairview and Wylie to offer a taxi voucher program to eligible patrons. DART suggests the transit district develop a 20-year transit plan beyond the taxi voucher program. DART is willing to offset up to 80% of the cost of the plan provided it is developed as part of a multi-city or countywide plan. The Collin County Rides program would provide cabs and wheelchair accessible vans to

provide on-demand service for seniors age 65+ and/or persons with a qualifying disability. Service is available from 5:00 a.m. to 6:00 p.m. and we request that wheelchair accessible be booked 24 hours prior to required transportation. Program participants may travel anywhere in Collin County and to the DART Parker Road and Rowlett train stations. There are three registration options: online, print the form, fill out and return by mail, or call DART to register. Trip costs are based on mileage and regulated taxi rates. Patrons have a voucher card that is swiped by the driver per ride. The cities would not be required to do any administration services, those are handled through DART. Advantages of the taxi voucher program over the dedicated vehicle operation include quick transition taking advantage of existing taxi fleets, total monthly costs reduced dramatically, overall and customer cost per trip reduced, and passenger trip time reduced from 55 to 11 minutes.

Mr. Jim Cline, President and CEO of Denton County Transit Authority, (DCTA) stated that DCTA is a political subdivision of the State and is funded through sales tax, federal funds, and contract revenue. We provide contract service today for the University of North Texas campus shuttles, North Central Texas College shuttles, and a contract with Frisco to provide service that serves as a good model for the McKinney Urban Transit District. We provide service today in Denton, Collin, Dallas and Tarrant counties with vehicles operating in McKinney today under our contract with Frisco. We provide a full range of services with over 2.9 million boardings overall in the system in FY 16. A couple of things about the agency, we have the Platinum Transparency Award from the Comptroller. We are not here to sell you on becoming a member but we think the best approach is a partnership between DCTA and the McKinney Urban Transit District to provide the service needed that will be tailored to meet the needs of your community. Ms. Michelle Bloomer, Assistant Vice President of Transit Operations, stated that the City of

McKinney commissioned a study to look at the existing services being provided in the McKinney Urban Transit District as well as to help the Urban Transit District look at options for moving forward. It is important to note that McKinney is designated as a small urbanized area. This is very important for two reasons. First, it means you get State money, and second, you can use your federal funds from the Federal Transit Administration toward your operational costs. DCTA's recommendation is to start with a base level of service that addresses your older adults, 62 and older or 65 and older, individuals with disabilities serving quality of life trips, doctor appointments, dialysis, senior center, grocery store, etc. The City of Frisco's service is 100% locally funded so they are able to prioritize trips to the general public for medical trips only. If you determine you want to drawdown federal funds, you are not able to prioritize trips. Frisco's pricing structure and contract was 100% customized to the City. Their service is based off of two vehicles per day, 12 hours per day per vehicle, five days per week of service, 52 weeks per year, or 6,144 hours of service per year. We determined our cost per revenue hour was \$48, for a total contract cost not to exceed \$325,000. Key costs are the drivers, vehicles, operations and staff. There are two ways to manage the cost of fuel. We can provide the fuel to you at a pass-through cost with no added on costs or you provide the fuel. The same goes with the vehicle storage and cleaning. We can store and clean the vehicles or you can provide which would lower your costs per revenue hour. There are funds at the state level and the Regional Transportation Council that you can use as your match to purchase vehicles at no cost to the Urban Transit District. DCTA has integrated Uber, Lyft and taxis into our existing services to provide our customers multiple options to get from point A to point B. The next level of service would be a circulator. This would be more effective than fixed routes. Circulators are flexible, allow you to change the times, and you could

provide service during peak times and to key destinations. When you partner with DCTA, we would work with the McKinney UTD to define the target markets, how you define those markets, service parameters and the number of vehicles. All of this goes into creating your service and your budget. In addition to the services we have talked about, we also bring added value services to the Urban Transit District such as service planning, long-range planning, procurement, compliance and oversight, and grant funding. DCTA is a taxing authority with three-member cities that contribute half-cent sales tax, Highland Village, Lewisville, and Denton. A partnership does not mandate a taxing component or sales tax element, it could be a structured agreement and we would recommend that.

Board member Rogers left the meeting at 5:25 p.m.

Chairman Loughmiller called for Citizen Comments.

The following individuals spoke in favor of public transit:

Ms. Celeste Kennedy, 2401 Country View Lane, McKinney

Mr. Kevin Butler, 10004 Sedgewick Avenue, Plano

Mr. Jim Buerkle, 7805 Trixie Trail Drive, McKinney

Pastor Gene Grimes, 323 Peachtree Lane, Princeton

Mr. John Stafford, 1401 Harvest Glen, Plano

Mr. Steven Spainhouer, 4690 W. Eldorado Parkway, McKinney

Mr. Kevin Staff, 4021 Plymouth, McKinney

Mr. Chad Rawdor, 2828 Woodson Drive, McKinney

Mr. Sean Thompson, 520 Rocky Springs, Dr., McKinney

Mr. Peter Bailey, 4700 S. Ridge Road, McKinney

Ms. Kate Garrison, 3921 Saddlehead, Plano

Mr. Freddie Spainhouer, 4690 W. Eldorado Parkway, McKinney

The following individuals did not wish to speak but wanted their support entered into the record:

Mr. Caden Adam, 4005 Duclair Drive, McKinney

Ms. Cindy Cavenor-Sumner, 8650 CR 850, McKinney

Ms. Sofia Alejandro, 4612 Aylesbury Court, McKinney

Ms. Wendi Osborn, 2320 Itasca Drive, McKinney

Ms. Nancy Richard, 200 Ferndale Drive, McKinney

Ms. Sheila Brunett, 600 S. Graves, McKinney

Ms. Lauri Brown, 210 Northwood Drive, McKinney

Ms. Shauna Buraczyk, 3013 Provine Road, McKinney

Ms. Janie Pena, 5700 River Highlands, McKinney

Mr. Danny Bishop, 905 Essex, McKinney

Ms. Jan Hoelzel, 210 Northwood Drive, McKinney

Ms. Mary Stevenson, 4801 Rustic Ridge Drive, McKinney

Mr. William Bunting, 6400 Oak Hollow Lane, McKinney

Mr. Charlie Jones, 7801 Shasta, McKinney

- 17-222** Chairman Loughmiller called for Consideration/Discussion/Action on Direction of Public Transit in the McKinney Urbanized Area. Board member Pogue stated we need to determine which cities want to participate. The cities of Melissa and Princeton are here tonight but there are other entities not represented who have been invited to participate. This will assist us in defining, designing, and negotiating for a system that works for the UZA. I do agree with the Denton County modeling and Frisco's system that allows for some flexibility for the vehicles as well as additional subsidy of the Uber or Lyft or taxi voucher program. Chairman Loughmiller stated he would like this to happen as quickly as possible, but given the fact that we have multiple cities that need Council approval, before this Board has to vote to pick the methodology, plan, and the entity. It seems like the most efficient way is for our staff to get together and come up with a unified recommendation to each of our Councils. Director of Strategic Services Chandler Merritt stated the intent of the Board and the Interlocal Agreement is to define the policy. Once the policy is set, the City of McKinney, per the ILA, will work on procurement of services selecting the best provider based on the type of service and

level of detail the Board would like to see. City Manager Paul Grimes stated we can always expand service and change the nature of the service over time but to get started we need to know which communities are in. I recommend we come back with some form of on-demand service which is like a paratransit-type service augmented by some form of taxi voucher. We can talk to the two expert agencies and come back with several iterations and options, here are the outlines, and then the Board gives us the green light on one of those and we procure this level of service. Chairman Loughmiller stated we have the potential for \$312,000 in state funding, and the City previously set a limit of \$100,000 local match funding, so at least from the standpoint of McKinney, we know from a contractual standpoint at this point we have the potential for somewhere between \$312,000 to \$412,000 for funding. City Manager Grimes stated there were several iterations of that level of service for the Board to consider and for the neighboring communities to take back to their respective Councils to determine if they are in or not and on what level of service. Vice Chairman Branch requested that the Board receive a breakdown as it relates to the ride only, administration costs, maintenance and procurement and any other related costs so we can do an apples to apples comparison. Chairman Loughmiller stated we need a motion on the direction of public transit in the McKinney Urbanized Area. The recommendation right now is to work within that framework to develop a recommendation back to this Board within the parameters of \$312,000 in state funds and up to \$100,000 in local funds, with the help of the other cities, and develop a recommendation back to this Board, as to the direction to go in terms of programming. Mr. Merritt stated to add to that motion to bring back a policy on how cost sharing would be done between the entities of the McKinney Urbanized Area. The Board unanimously approve the motion by Chairman Loughmiller, seconded by Chairman Day, to approve the motion to work within the framework of the

available funding to develop a recommendation back to this Board as to the direction to go in terms of programming and the entity, and to bring back a policy on how cost sharing would be done between the entities of the McKinney Urbanized Area.

17-223 Chairman Loughmiller called for Consideration/Discussion/Action on Next Meeting of McKinney Urban Transit District. Board member Borg stated he would need at least 30 days to collaborate with staff and present to their Council for a decision on participation. The Board unanimously approved the motion by Mayor Pro Tem Pogue, seconded by Councilwoman Rath, to schedule the next meeting for April 5, 2017, at 6:00 p.m. in the McKinney City Council Chambers.

Board unanimously approved the motion by Board member Pogue, seconded by Secretary Rath, to adjourn. Chairman Loughmiller adjourned the meeting at 6:55 p.m.

BRIAN LOUGHMILLER
Chairman

ATTEST:

TRACY RATH
Secretary