

McKINNEY URBAN TRANSIT DISTRICT BOARD

APRIL 5, 2017

The McKinney Urban Transit District Board met in regular session in the Council Chambers of the Municipal Building on April 5, 2017 at 6:00 p.m.

Board members Present: Chairman Brian Loughmiller, Vice Chairman Chuck Branch, Secretary Tracy Rath, Board members: Benjamin Rodriguez, Jason Little, Derek Stephens, Derek Borg, Travis Ussery, Randy P. Pogue, and Don Day. Board member absent: Rainey Rogers.

Staff Present: City Manager Paul Grimes, City Secretary Sandy Hart, Director of Strategic Services Chandler Merritt, and Housing and Community Development Manager Janay Tieken.

There were approximately 60 guests present.

Board unanimously approved the motion by Board member Ussery, seconded by Vice Chairman Branch, to approve the following consent item:

- 17-355** Minutes of the McKinney Urban Transit District Board Meeting of February 28, 2017
- 17-356** Chairman Loughmiller called for Consideration/Discussion on Staff Transit Presentation. Director of Strategic Services Chandler Merritt stated staff has been working on a plan for not only a cost sharing policy but a minimum match policy. Three of the main goals are: to provide efficient and effective transit services, to provide transit services to those who need it most, namely the senior and individuals with disabilities, and to provide transit services as expeditiously as possible. Step one is the short-term goals is to start service from now and over the next three months to cover current needs of seniors and individuals with disabilities. The service will be limited by available state and local funding. Mid-term goal over the next three to 12 months, staff proposes launching a planning initiative to determine the overall needs of the McKinney Urbanized Area. Long-term goals that cover beyond the next 12 months, look at implementing service adjustments based on the plan

recommendations and available funding. From that point on, we will conduct continuous planning and performance assessment and administer services as needed. Staff has been working on a proposed budget that includes state and local funding for the initial service period, grant funding, costs based on pro rata, population cost associations, and assumes a 15% local match by participating jurisdictions. The Cities of Lowry Crossing and Celina are here tonight for their first exposure to the Urban Transit District and would be added to the proposed budget should they like to be part of this transit solution from a regionalistic approach. On March 3rd, we officially received Direct Recipient Status from the Federal Transit Administration for the McKinney Urbanized Area. The City now holds that designation as the administrative arm of the Urban Transit District. We are currently in a state of pre-award authority and that means we have been awarded the title of direct recipient, however, there are administrative steps that must be done as well as grant writing before we can start drawing down funding. Next are service options which we have been discussing with two of the transit providers who made presentations at the last meeting. One type of service would be a dedicated on demand or response service and the other is a taxi voucher program. Based on a \$350,000 operating budget, you see for dedicated demand response the range we would receive is from 6,500 to 9,500 trips per year versus a taxi voucher program which can be between 16,000 and 25,000 trips per year. On the dedicated demand response program you are looking at a longer startup time due to the procurement of vehicles. It's financially less efficient and you will pay more on a cost per trip than you would for a taxi voucher program and you potentially have geographic limitations set by the Board. The greater the area you service, the less trips available to offer based on funding available. On the taxi voucher program, no vehicles are required and it more equitably distributes the cost of service versus the on demand response model. On

the cost management side, dedicated on demand response is based on the number of vehicles you have available. We assumed two vehicles and a spare for starting purposes. On the taxi voucher program, it would be a maximum cap you set on a monthly basis. The lower the maximum, the more users that can use the service but the less service they would get per user. First of all, talking with both the transit providers, Irving Holdings is subcontracting and they have accessible vehicles that could be used for ambulatory needs. Currently in Frisco, DCTA is expanding the program where they are looking at taking non-ambulatory trips and shifting that to a voucher program whereby they are filling the void with the taxi voucher program. To my knowledge, the type of vehicle that you use for the taxi voucher program does not change the cost of the trip. Ms. Michelle Bloomer, Denton County Transportation Authority stated the reason we added the taxi component to the Frisco project is Frisco had the desire to expand the existing service above the two vehicles that were currently in place. The best way to do that to meet the growing demand was to take that excess capacity for demand we could not meet with the two vehicles and schedule those trips on to the taxi program. DCTA has been in Frisco since December 2015 and implemented the taxi voucher service in March 2017. To qualify for the voucher program, we are talking about seniors age 65 or over and individuals with disabilities, some of those would be certified legally blind, certified deaf or hard of hearing, certified to be non-ambulatory without assistance or medical aid, and so on. There are seven criteria that would define the service which the Board will vote on tonight. That seven criteria is currently being used in Wiley, Allen and Fairview. In those cities, a maximum of \$400 per month for service with \$300 paid for by subsidized transit funding and \$100 by the individual. Staff is proposing to start a voucher program now and start generating the data of where people are going and who is making rides in the McKinney Urbanized Area. We are

looking at starting dedicated on demand response as early as 30 to 120 days, depending on certain circumstances and the taxi voucher program as early as 30 to 60 days. If the Board sets the policy tonight on types and levels of transit and where they want transit to go based on those policies, McKinney, as the administrative arm would try to pick the provider that would best meet those policy guidelines set by the transit district. There would be no fixed routes. It would be a demand response service. With the taxi voucher program, there are no geographic limitations on the program.

Chairman Loughmiller called for Citizen Comments.

The following individuals spoke in favor of establishing transit service in the McKinney Urbanized area.

Mr. Steven Spainhouer, 4690 Eldorado Parkway, McKinney

Mr. Gavin Nicholson, 604 Fartinbras Drive, McKinney

Ms. Balee Bree, 600 S. Graves #1502, McKinney

Ms. Christy Reynolds, 125 New Hope Road, McKinney

Mr. James Sasser, 6232 Dark Forest McKinney

Mr. Jim Davis, 5674 Hummingbird, Fairview

Mr. La'Shadian Shemwell, 1200 N. Tennessee Street, McKinney

Ms. Laurie Brown, 210 Northwood Drive, McKinney spoke in favor of a hybrid program.

Pastor Gene Grimes, 323 Peachtree Lane, Princeton spoke in opposition of the proposed transit service.

Mr. John Hoelzel, 210 Northwood Drive, McKinney inquired if any of the Toyota grant money would be available for the current planning activities.

Ms. Patricia Angelo, 3400 Craig Drive #2113, McKinney did not wish to speak but wanted her comments that she was not interested in a voucher program since she is on a limited income and has had bad experiences with taxi services entered into the record.

17-357 Chairman Loughmiller called for Consideration/Discussion/Action on

Adoption of McKinney Urban Transit District (MUTD) Cost-Sharing Policy. Director of Strategic Services Chandler Merritt stated that this is a proposed draft of a cost-sharing and minimum local match policy as proposed by Staff for the Board's consideration. It defines cost sharing and expenses for both a taxi voucher program and a dedicated demand response program. The minimum local match would be 15% that is calculated by the cost of service multiplied by the percentage of population of the Urban Transit District entity multiplied by 15%. If an entity receives service as part of the urbanized area a local match is provided by each entity participating. There is a calculation for demand response which was published by the Texas Transit Institute. This is the standard for how to appropriately allocate cost if the taxi voucher program is used. There would be the maximum amount per user per month funding available and the required percentage of match to be included by the individual purchasing the voucher currently set at 25%. The policy states that with the dedicated demand response and taxi voucher program, if an entity wants to purchase additional service in addition to the subsidized amount, they would have that ability to have more service for their area. The City of McKinney, as the administrative arm, would look for that to be paid to the City for consideration of services. Melissa City Manager Jason Little stated he would like to make sure that, if in the event we are in here and have service not being used, the unused hours can be reallocated to the district so they can be used by those who need it. Since it is not in the policy now, we could amend and adopt it tonight or address it in the Interlocal Agreements between the entities participating in service. Mr. Merritt stated let's get some service started to take care of those that need it the most. Mr. Merritt recommended that based on the fact we are talking one to three months to get service started and assuming the Board approves transit tonight, the City of McKinney would start working on procuring and implementing

service. The contract we will bring to the McKinney City Council could be a one-year contract, two-year, or it might be a six-month contract. If we choose dedicated demand response, the shorter the contract, the more cost per trip because we are capitalizing the vehicle over the life of the contract versus longer-term. There are severability clauses in the contract that would allow us to sever the service in the event we came to the conclusion another service provider would better fit our needs. The taxi voucher program is provided by a fleet of vehicles used for transit type services and using employees of the company that are background checked and fingerprinted. Those are things that are in the contract with the transit provider to make sure those things are handled. This is specifically on cost sharing between the entities and local match. Board member Day inquired if you have an individual that is on the \$700 a month fixed income and cannot afford the co-pay, did we look at adding in a criteria that would allow that person to pay less or nothing? McKinney City Manager Grimes stated that we can look at a hardship exception. He suggested we start the program and see where the hardship cases are and get a better idea and report back but if you want to amend the policy to include some provision or consideration for hardship exceptions. The action being requested is to adopt a cost sharing policy. The two items we have talked about, in summary are, if a City is participating in cost-sharing and they don't need the service they have the ability to reallocate and the issue of adding a hardship to the criteria in a defined form. Board unanimously approved the motion by Board member Borg, seconded by Board member Pogue to approve the adoption of McKinney Urban Transit District (MUTD) Cost-Sharing Policy with the addition of adding the option that an entity you can reallocate any unused rides, to be able to purchase additional rides (if needed) and to address the hardship needs.

17-358 Chairman Loughmiller called for Consideration/Discussion/Action on Transit Services for the McKinney Urban Transit District (MUTD). Director of Strategic Services Chandler Merritt stated that this item addresses whether we want to pursue a taxi voucher program for initial service or approach a dedicated demand response. Based on the information I have right now, you will find the taxi voucher program is a more cost beneficial service. However, taxi vouchers is a nontraditional type program and based on comments made tonight, some may still have issues with the taxi voucher program. Mr. Todd Plesko, Vice President of Planning and Development for Dallas Area Rapid Transit (DART) stated that the taxi voucher program has been operating in Collin County since 2008 and it has lived within the budget we set for that for eight years without growth above it. When Wylie, Fairview and Allen lost their TAPS services we started with a pay by the hour, 10 vehicles, with the ability to operate by the hour so we were operating as a traditional dedicated transit vehicle van with wheelchair accessibility and found that the demand in those three cities and the need was too low to support those vehicles. The subsidy per boarding was over \$100 per trip. We switched to the taxi subsidies based on what we've seen and the cost for the user we've defined as 25% of the voucher value. The cost of \$20 per trip is a function of the distance. When the person books their trip through Yellow Cab, the provider supporting us in Collin County, they pay by the mile. You swipe a card when you get in and you swipe when you get out and if you take a 5 mile trip, it's about \$2.00 per mile. We have found that in Collin County, once we started that service, we interviewed all the users, just under 200 registered users, seniors over 65 and disabled and they all said they would recommend the service for their family and friends. Irving Holdings has supported DART paratransit system for seven or eight years with 60% of our 3,000 trips per day on the ADA paratransit. We do permit service animals to ride in the cab. It is a situation where DART has

a contract and we specify the criteria. What we are proposing is the same kind of services we get from Irving Holdings. We found that if a person scheduled a trip on their own, the previous fare was around \$3.00 per trip which is what DART charges. They were paying less with the taxi subsidy because the trips were less and shorter distances. You would have to define in your requirements what you need. We started in Collin County with \$200 a month and we found we were not adequately meeting the needs of the dialysis patients and they needed \$400 a month to meet the three day a week travel needs so we changed and modified the program. That's why we thought the \$400 would be a logical approach. We set the definitions for disabled but that can be changed. We used the same kind of rules that are required for reduced fare which is a federal requirement. This definition is much broader and affects a larger number of people with disabilities. You can make the eligibility determinations yourself as a staff but what DART was proposing was a turnkey approach where you would define the rules, we would register based on your rules and allow an easy way for people to do that. We would report back to you each month as to how the program is working. When you contract with DART you contract with a local government corporation that allows us to keep our costs separate and we can make sure the DART cities are not subsidizing the services outside the service area. I emphasize, there is no buy-in and no requirement to join DART. Chairman Loughmiller asked if what DART is providing for the other cities is limited to seniors and people with disabilities. Mr. Plesko stated yes, each of those City Councils defined their own needs. DART has an entire team that makes eligibility determinations. It would be determined based on your rules. If you have a disability, the requirement is to provide a doctor statement or social service agency or some other entity that can vouch for the fact that you have a disability. You have to provide required supplemental documentation. We have an appeals program so if a person felt they

were unfairly rejected, they can request an appeal and the team has an approach of dealing with an appeal and we would take your direction under how that should work. DART has a new Freedom Grant that is available to support and was originally intended to be helpful to McKinney so that money is still available. There's also Toyota money. The one proposal indicated \$200,000 available to supplement the budget of \$350,000 and that's available if you want it. The concern we had, if you could not support that program at the point where that funding was depleted, then you now have a demand that you are doing 25,000 trips but the funding goes away and you can only fund 16,000 trips. If you chose DART to administer that program, from the point where we started the service, it would be available for a year. Mr. Pogue stated that part of his concern was that, if we were to go forward with the Toyota or Freedom Grant money and it was to be depleted and not replaced, and we have a more robust system than we could afford, is there any restriction on that money? Mr. Plesko stated that if we started the program with a demand response where we paid by the hour and we found over that six-month period that it was so cost inefficient that we felt the taxi voucher was the way to go, I would not want to use those dollars to go backwards unless I could be absolutely certain that the cost and the subsidy for boarding was reasonable. You have a lot of square miles and additional cities so if you have a couple of vehicles, and the trip distances are longer, if you are in Princeton picking up a group of people, that vehicle is not available in McKinney. The taxi option allows you to take advantage of the private sector vehicles out there and increases the density, the number of vehicles available within the region. Until the demand is such that you really need that, the taxi voucher allows you to provide a higher level of service, closer to the requested time and with shorter trips. The costs that DART included in its proposal, includes a fee you pay for the registration, management of the program, the credit card

transactions, and I believe a 10% general administrative fee. The user only pays for their share of the taxi trip. The other cost is an overhead that is part of the overall contract. Mr. Jim Cline, President and CEO of Denton County Transit Authority (DCTA), stated DCTA has been providing paratransit service since 2005. When you start taking an existing vehicle and spreading the vehicle over a bigger area, you get less and less efficient, however, we will do it however the community sees this needs to be done. Our next Board meeting is in April. If we were given the direction to execute an agreement, we could be in service 30 days later. We are talking about paratransit needs for elderly and disabled but in the future, we need to look at what will be the best way to implement service for the general public, how folks who are not disabled or elderly get access to move around. We talked about the idea of using a shuttle service that is a limited stop that answers a specific community need. We also implemented an Uber service. As it relates to the shuttle service, we can establish a park and ride service for a group of people going from one area to a specific area. We could deliver passengers from a senior citizen center, to Walmart, to whatever makes sense, and I believe one of the things DCTA brings to the table is that we can meet the needs of passengers. I think it's important that when you talk about the level of service, my recommendation is to establish what you have in terms of sustainable for many years in the level of service and use these one-time dollars for one-time expenses such as planning efforts and buying vehicles. If we looked at the fleet replacement program to bring vehicles in, we've got some on hand we could bring into the service on a short-term basis, purchase more and then use those vehicles either to continue service in McKinney or if you change your mind, rotate them into our service. We would be pleased to deliver any service model that the McKinney Urban Transit District needs. Mr. Cline stated that his recommendation would be to consider a hybrid system. There will be

some vehicles that some folks with wheeled devices will need or feel more comfortable with an agency personnel and seize the efficiencies of a taxi voucher system to expand that further. There is a balance that goes in there and you have to find out what your demand is. I would propose we come to McKinney or Melissa, or any other City in the district for a week or two at the front end of the 30 day window and meet with the citizens to do eligibility on the spot. The bulk of the folks can be taken care of on-site quickly and we can move into doing each as we go forward.. The customer would contact us directly and we would dispatch a cab in lieu of dispatching our vehicles. What DCTA would see happening is that it's like a debit card system, the person who wants to ride contacts Irving Holdings, they have an app you can do by phone or web. If the passenger is not able to resolve an issue, the customer service piece belongs to us. Ms. Michelle Bloomer, Assistant Vice President of Transit Operations with DCTA stated that if somebody was interested in participating in the voucher program, they would call DCTA first and the customer service representatives would walk them through the eligibility process. So they would have that personal connection with DCTA. We would assign them an authorization number that they could use to call Irving Holdings to schedule their trips. If they had any issues with scheduling trips or the operators, they would call DCTA to resolve those issues. We actually hired several of the drivers from the previous provider so many of your patrons will know our drivers. Mr. Plesko with DART stated the way the DART program works is once you are registered, which is handled through the DART staff, then the customer calls Irving Holdings and tells them I'm part of the McKinney program. There is a dedicated scheduling person that we work with at Irving Holdings and they know the customers and how the program works to get the trip scheduled. Mr. Cline stated at DCTA, in terms of qualifying somebody, that is done before they get to the point of having the ability to

contact Irving Holdings. If you are in Denton and you want to hire paratransit, you apply and are certified and we issue a number. Here you would call in to Irving Holdings to get service. If it is a hybrid system, you will call us or Irving Holdings. If there is an appeal, we have a subset of the Board that is made up of staff, a board member and a community member that is a stakeholder in the disability community. You set the standards and we enforce the standards. Chairman Loughmiller stated whoever we pick would be responsible for the operation side including qualifying and dealing with compliance. Mr. Cline stated that the administration of the program, if you put it in a rounded number, is 20%. That is processing, buying the debit cards, giving Irving Holdings issuance. It's about 15% of the fee rolled into the numbers we gave Chandler to have the customer be able to call Irving Holdings to get a debit card, to make a payment and get issued a debit card. That includes registration, management, and to schedule the trips. We look at about 5% DCTA administration because we handle the customer calls. We don't charge for personal assistants or service dogs or a wheeled device. We do have reduced fare in our member cities. You qualify for reduced fares through the same seven categories. Chairman Loughmiller stated the initial decision that the Board is being asked to make tonight is do we have a preference of what I would call three options; the taxi voucher program, the on-demand version and the hybrid, which is a combination of the two. Mr. Merritt stated that technically, per the Interlocal Agreement, this Board is the policymaking Board that discusses the levels and types of transit based on the policy set by the Board. The City of McKinney is the administrative arm of the Urban Transit District and would negotiate with not only these two but anybody else out there to come up with the best opportunity for the group. Mr. Merritt noted that you would probably get more data from a taxi voucher program because it would potentially not be geographically limited, whereas a demand

response service would be limited. So step one tonight is to pick a program. Mr. Merritt stated that the MUTD has an 80/20 match for federal money where 80% of the plan would be paid for by federal transit money and 20% paid for by the urbanized area. The NCTCOG has money set aside in one of their plans using credits to offset that local match cost so it's possible we could get a plan done for no cost to the Urban Transit District based on the type of funding we have available that the other entities do not. Per the policy the Board adopted, we set a policy of a maximum of \$400 per month for an individual to use for a taxi voucher with 25% of that as cost share paid by the individual. Based on what we heard tonight, the taxi program would be able to take wheelchair capable individuals. There is a possibility that they cannot accept the oversized chairs. There is also the option of the two vehicles that TAPS has that we could do a grantee to grantee transfer if we decide to go to that route. Last check, there were two 13-passenger vehicles that could be used but TAPS would have to agree to the transfer. Chairman Loughmiller stated he would request this Board direct staff to pursue those two vehicles. He also stated that he is in favor of the hybrid model. I know we can't quantify today but we have individuals in the large, motorized wheelchairs that will need a handicap accessible van or bus. I don't like that we would have limitations meeting those demands. Mr. Merritt stated that acquiring vehicles will take time so I recommend starting with a voucher type program and eventually integrating vehicles if there is a need for it. Chairman Loughmiller stated that if we are okay with the hybrid solution, we can start with a voucher program because that's the easiest entry point, but when we get to that point where we can investigate getting those vehicles from TAPS, you don't have to come back to the Board to get a change of policy. Board member Pogue agrees and stated he feels the need is already here for transportation of the motorized wheelchairs and we need to find transportation method for

that. Board member Borg stated that from a policy standpoint it offers the flexibility to have the staff look at that as we go forward without having to come back and get redirected. Board member Stephens stated he is in agreement as well. Mr. Merritt stated that we are talking about the cost share and probably what we would put into the Interlocal Agreements is you would have a reserved amount of funding for the voucher program that you could sell up to a point and you could request further funding for vouchers if needed. That would leave whatever is left for a certain number of dedicated trips per month and when they book up, they book up. We could contact the City to see if they want to buy more rides for the rest of the month. If we decide on the hybrid, we can go ahead and start with the taxi. Chairman Loughmiller stated there is a meeting of the RTC next week. With the Board's approval, Mr. Loughmiller will talk to Michael Morris about what other funding might be available as we move forward and we can provide that information back to staff. Board unanimously approved the motion by Board member Pogue, seconded by Vice Chairman Branch, to approve Transit Services for the McKinney Urban Transit District (MUTD) with a transit service that will include both the taxi voucher as well as the demand response in a hybrid format. The Board unanimously approved the motion by Board member Pogue, seconded by Board member Little, to pursue negotiations with TAPS to acquire all vehicles allocated to McKinney UZA.

Board unanimously approved the motion by Secretary Rath, seconded by Board member Pogue, to adjourn. Chairman Loughmiller adjourned the meeting at 8:28 p.m.

BRIAN LOUGHMILLER
Chairman

ATTEST:

TRACY RATH
Secretary

