



20-0514

TITLE: Consider/Discuss/Act on a Resolution Approving a Fourth Amendment to the Inter-Local Agreement with Dental County Transportation Authority (DCTA)

MEETING DATE: June 17, 2020

DEPARTMENT: Housing & Community Development

CONTACT: Akia Pichon, Transit Administrator
Janay Tieken, Housing & Community Development Director

ITEM SUMMARY:

- The 4th Amendment to the Inter-local Agreement (ILA) between Denton County Transportation Authority (DCTA) and the City of McKinney would extend the contract for transit service operations under the new fee schedule provided by DCTA from August 1, 2020 until the end of the calendar year.
- The increased cost to MUTD would include indirect administration costs for maintenance, facilities, and customer service, and is allocated by vehicle hours or vehicle miles. Under this formula, the typical administration cost rate of 5% would be increased to include these indirect costs as well as the direct administration costs MUTD is charged for. These indirect expenses include 1% for operation support expenses, 1.5% of systemwide maintenance expenses, 1.1% of facility expenses, .8% of administration and administration building expenses, and 3% of customer service expenses.
- For FY19, this would have resulted in a \$50,170 increase in taxi expenses billed to the MUTD and \$74,956 in bus service for a total FY19 increase of \$125,126.
- The 4th Amendment would also allow DCTA staff to amend the task order with Irving Holdings to implement flat fare for taxi service, and grant staff the flexibility to change direction on service model based on the results of the Spare Labs study.
- There is a need for continuity in transit operations to ensure adequate transit service and maintain quality of life in our community. To that end, staff is recommending approval of the 4th Amended Interlocal Agreement between City of McKinney and DCTA.

BACKGROUND INFORMATION:

- The City of McKinney has an inter-local agreement in place with Denton County Transportation Authority (DCTA) for transit operations that will expire July 31, 2020.
- The DCTA has updated their administrative fee policy to ensure DCTA recovers 100% of total operations and capital costs from contracts for service with non-member cities. The City of McKinney is a non-member entity in contract with DCTA for transit service operations.
- The MUTD Board approved a \$3 flat fare for taxi service on April 15, 2020, and implementation of the \$3 flat rate fare is limited by the current Irving Holdings task order.
- Spare Labs Transit Study results are expected mid-July.
- The DCTA Board will approve or reject this ILA extension at their meeting on June 25, 2020.

SUPPORTING MATERIALS:

[Resolution](#)

[Exhibit A](#)

[Fourth Amendment to ILA \(Proposed\)](#)

[DCTA Contract Summary with Increased Fees](#)