

Kalamazoo County Transportation Authority

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MAY 16, 2011

Senate Transportation Committee

House bills 4366 and 4367

Linda Teeter, Chairperson

Kalamazoo County Transportation Authority

Overview of the KCTA

The Kalamazoo County Transportation Authority (KCTA) was created by the Kalamazoo County Board of Commissioners in late 2005. A nine member KCTA Board was appointed by the County in January 2006. The long term goal for the KCTA is to integrate the public transportation services into a county-wide system. The KCTA's initial challenge was to secure funding to stabilize the Care-A-Van demand response bus service. This was achieved by the successful passage of a two-year county-wide millage in the fall of 2006. In addition to the stabilization of Care-A-Van, the millage provided local match for fixed route service outside the city of Kalamazoo as well as three new routes in the City of Portage.

Following the passage of the of the 2006 millage the KCTA Board turned its attention to the transition, working with Kalamazoo County Government, the City of Kalamazoo, the City of Portage, governmental units throughout Kalamazoo County, the Kalamazoo Area Transportation Study (KATS), and the Michigan Department of Transportation (MDOT) to ensure that all administrative, programmatic and political details were addressed.

The KCTA was formed under Public Act 196 of 1986, a state law governing the establishment of county-wide and multi-jurisdictional authorities. A requirement of P.A. 196 is that only one millage rate can be assessed within the authority's boundaries. In 2008, the KCTA placed a question on the ballot county-wide asking for a single millage rate for all residents in the county. This single rate millage combined the KCTA's 2006 millage and the one year millage levied in the City of Kalamazoo by the City's Transportation Authority Board. Everyone in the County would pay the same rate for public transportation service. The single millage rate was defeated in the 2008 November election leaving the KCTA and the City of Kalamazoo without the needed local funding to operate the bus system.

It was clear that two millage rates would be required to reflect the different service levels in the City of Kalamazoo and the remainder of the County. Therefore, in May of 2009, the KCTA set a .4 mil levy countywide that covered the local share of demand response service, fixed route service outside the City of Kalamazoo, and new fixed route service in the City of Portage. The Transportation Authority Board for the City of Kalamazoo, in turn, sought a .6 mil levy in the City to cover local share for the fixed route service within the City. Both millages were successful. The success of the 2009 vote clearly indicates that more than one millage is necessary in Kalamazoo County to account for the varied levels of service provided. Most of the fixed route service originates in the City of Kalamazoo. It follows therefore that the millage level in the City be higher than the out county areas due to greater levels of service.

If the KCTA is to oversee Transportation County wide and receive federal and state dollars as the grant recipient, it needs the ability to levy differing tax rates based on service levels. House Bills 4366 and 4367 accomplish this.

During fiscal year 2010 (October 2009-September 2010), the KCTA moved toward the goal of a single county-wide transportation system. To that end the Board worked strategically with residents and leadership in Kalamazoo County. The KCTA is currently adhering to a 3 year "Road Map" developed collaboratively by the City of Kalamazoo, Kalamazoo County, and the KCTA.

Kalamazoo County Transportation Plan

Submitted to the Kalamazoo County Transportation Authority

May 24, 2010

INTRODUCTION

The purpose of this Kalamazoo County Transportation Plan is to provide a concise summary of the future direction of the transportation system in Kalamazoo County, including the transition of key aspects of that system from the City of Kalamazoo (the City) to the Kalamazoo County Transportation Authority (KCTA.) This plan has been developed by the following joint leadership of the City of Kalamazoo, Kalamazoo County and the Kalamazoo Regional Transportation Authority:

- Linda Teeter, Chairperson, Kalamazoo County Transportation Authority Board
 - Greg Rosine, Vice Chair, Kalamazoo County Transportation Authority Board
 - Ken Collard, City Manager, City of Kalamazoo
 - Jerri Barnett-Moore, Deputy City Manager, City of Kalamazoo
 - Peter Battani, County Administrator, Kalamazoo County
- Tim Fallon of TSI Consulting Partners facilitated the process.

This Plan includes the following elements.

- Background and history
- The goals of the transportation system
- Assumptions that guide the Transportation Plan
- A summary of the issues that need to be resolved
- Outline of a phased approach to implementation
- A detailed implementation plan that summarizes the action steps, deadlines and accountabilities for carrying out the Transportation Plan

BACKGROUND AND HISTORY

The recent history of the transportation system in Kalamazoo County includes the key points that follow.

- The City of Kalamazoo has a long history of using federal 5307 transit money to support Metro Transit.
- In 2001 or 2002, 5307 transit money was made available for urban areas in Kalamazoo County outside of the City of Kalamazoo.
- This resulted in the City of Kalamazoo and Kalamazoo County competing for 5307 funds.
- At that time, the Kalamazoo Area Transportation Study (KATS) Policy Committee made a decision to withhold some of the federal funding until the two governmental units could demonstrate that they were working together.
- This Policy Committee decision led to a discussion about whether to merge the two transportation systems under one authority.
- It also led to a decision to contract with the City of Kalamazoo to run Care-A-Van.
- KCTA was formed and succeeded in passing a 2006 county-wide millage to support the transit system.

- In 2008, however, the county-wide KCTA millage renewal failed to pass – putting the transit system at risk.
- When the 2008 millage failed, the City of Kalamazoo, Kalamazoo County, and KCTA scrambled to save the transit system.
- This effort resulted in the passage of a successful two-tiered millage:
 - One tier (0.4 mills) is levied by KCTA under its 196 Authority and covers all of Kalamazoo County. It funds demand response and line haul services outside the City of Kalamazoo. This millage raises approximately 3.2 million dollars annually.
 - The other tier (0.6 mills) is levied under the City of Kalamazoo's Act 55 Authority and funds line haul services within the City of Kalamazoo. This raises approximately 1.0 million dollars annually.
 - Under this approach, residents of the City of Kalamazoo are taxed by both authorities (for a total of 1.0 mills.)
 - Thus, of the 4.2 million dollars assessed each year, the tax burden is as follows:
 - City of Kalamazoo residents: 1.6 million dollars
 - Kalamazoo County residents outside the City: 2.6 million dollars

GOALS FOR THE TRANSPORTATION SYSTEM

Joint leadership of the City of Kalamazoo, Kalamazoo County and the Kalamazoo County Transportation Authority agree on the following goals for the transportation system.

- Create an integrated, county-wide transportation system.
- Optimize the transit system's operational efficiency.
- Ensure—to the extent possible—the sustainability of the system.

Joint leadership also sees an integrated, county-wide transportation system as having the potential to:

- Better serve the community
- Increase the value of the system
- Provide an opportunity for strong transit system leadership to speak with a unified voice in advocating for the need and value of the system.

ASSUMPTIONS THAT GUIDE THE TRANSPORTATION PLAN

Joint leadership agrees that the following assumptions provide guidance for the Transportation Plan.

- Make decisions about the future of the transportation system guided by the long-term vision of an integrated, county-wide system.
- Continue to build the vital partnership between the City of Kalamazoo, Kalamazoo County and KCTA necessary to ensure the long-term success of the transportation system.
- Strengthen this partnership in support of the transportation system with other governmental jurisdictions in Kalamazoo County.
- Focus on the "art of the doable" – what we can accomplish now to move in the direction of the vision.

- Manage risk and minimize any downsides – taking a pragmatic approach in determining how to move forward. (An example of a downside would be any approach to the future of the system that puts the success of a renewal millage in jeopardy.)
- The success of both millage renewals in 2013 is essential to ensuring the continued operation and long-term sustainability of the transportation system.
- Use a phased approach to implementation, working methodically in the direction of the vision.
- Use the successful intergovernmental cooperation in support of the transportation system as a basis for extending this partnership to other governmental services in Kalamazoo County.

SUMMARY OF ISSUES TO BE RESOLVED

Joint leadership identified and clarified the issues that need to be resolved in order to achieve the long-term goals of the transportation system. These include:

- Providing effective leadership for the system, including:
 - The governance leadership of the KCTA Board to set the overall direction for the system and oversee the performance of the system executive
 - The strategic leadership necessary to position the system for the future and ensure it has the support necessary for its continued success
 - The operational leadership necessary to ensure the system continues to provide effective and efficient service
- Ensuring future, sustainable funding for the transit system, including making sure the millage renewals in 2013 are successful
- Strengthening the support for the transportation system among other governmental entities in the county, including City of Portage and the townships
- Improving communication about the transportation system with the general public and key stakeholders throughout the county
- Determining the best approach to future operation of the transportation system, including:
 - Whether to continue the City of Kalamazoo's operation of the system on a contract with KCTA
 - Whether to transfer operations to the KCTA, including the necessary transfer of assets from the City of Kalamazoo to KCTA
 - Whether to transfer grant recipient status from the City of Kalamazoo to KCTA
- Determining the best future approach to the City's provision of shared services for the transit system, including:
 - Human resource support
 - Legal support
 - Pension management
- Managing legacy costs of the transportation system, including the cost of:
 - Healthcare
 - Retirement/pensions
- Determining whether to continue to operate under two different millage authorities or to attempt to move to a single authority (and, if so, how to structure that authority)

OUTLINE OF THE PHASED APPROACH TO IMPLEMENTATION

Joint leadership recommends using a phased approach to implementation, the broad outline of which is provided in the table below. (A more detailed implementation plan for Phases 1 and 2 is provided on pages 5 to 8 of this plan.)

<p style="text-align: center;">Phase 1</p> <p style="text-align: center;">Secure Future Leadership for the County-wide Transportation System</p> <p style="text-align: center;">May 2010 through March 2011</p>	<p style="text-align: center;">Phase 2</p> <p style="text-align: center;">Ensure the Success of the 2013 Millage Renewals</p> <p style="text-align: center;">April 2011 through May 2013</p>	<p style="text-align: center;">Phase 3</p> <p style="text-align: center;">Continue to Develop an Integrated, County-wide System</p> <p style="text-align: center;">June 2013 and beyond</p>
<ul style="list-style-type: none"> ● Provide effective leadership for the county-wide system, including strengthening KCTA's governance of the system, securing effective strategic leadership and ensuring continued effective operations management ● Search for and hire the future executive/strategic leader for the transportation system ● Continue to contract with the City of Kalamazoo for operation of the transportation system, including the provision of shared services and management of legacy costs ● Explore the transfer of the grant recipient status for the transportation system from the City of Kalamazoo to KCTA. 	<ul style="list-style-type: none"> ● Establish the transportation system executive as the trusted leader and credible voice of the county-wide transportation system ● Increase commitment to and ownership for the transportation system among governmental jurisdictions throughout the county ● Strengthen county-wide support for the system among the general public and key stakeholders ● Win support/approval of both millage renewals under the two current authorities ● Continue to strengthen KCTA's governance of the system ● Continue to contract with the City of Kalamazoo for operation of the transportation system, including the provision of shared services and management of legacy costs 	<ul style="list-style-type: none"> ● Continue progress on the key efforts initiated in Phases 1 and 2 ● Determine the best approach to future operation of the transportation system, including whether to: <ul style="list-style-type: none"> ○ Continue to contract with the City of Kalamazoo for operation of the system, or ○ Transfer operations to the KCTA, including the necessary transfer of assets from the City of Kalamazoo to KCTA ● Determine the best future approach to the City's provision of shared services for the transit system, including: <ul style="list-style-type: none"> ○ Human resource support ○ Legal support ○ Pension management ● Manage legacy costs of the transportation system, including the cost of: <ul style="list-style-type: none"> ○ Healthcare ○ Retirement/pensions ● Determine whether to continue to operate under two different millage authorities or to attempt to move to a single authority (and, if so, how to structure that authority)