



Legislation Text

File #: 250622, Version: 1

ORDINANCE NO. 250622

Sponsor: Councilmember Melissa Robinson

Repealing Committee Substitute for Ordinance No. 250247; authorizing the Director of Transportation to enter into an agreement with the Kansas City Area Transportation Authority (“KCATA”) in an amount not to exceed \$77,892,519.00 to provide transit services for the City of Kansas City, Missouri until April 30, 2026 from funds appropriated in the 2025-2026 Annual Budget; directing the City Manager to report back to Council with an evaluation of KCATA performance relative to this contract and to provide a plan within 120 days to fund the KCATA in the amount of \$93,435,252.00; and directing the City Manager to work with KCATA to implement the use of Fountain Cards for bus boarding.

WHEREAS, the KCATA was established through an interstate compact between the states of Missouri and Kansas, which was approved by the United States Congress in 1965 to provide a coordinated and efficient public transportation system for the Kansas City metropolitan area; and

WHEREAS, the KCATA was created with the mission of developing, maintaining, and operating a comprehensive and accessible transit system to serve the transportation needs of residents and businesses across the bi-state region; and

WHEREAS, the City of Kansas City, Missouri, has consistently supported the KCATA since its formation by providing ongoing financial support to the KCATA through dedicated sales tax revenue and other funding mechanisms to ensure the availability and expansion of reliable public transit services for residents and visitors; and

WHEREAS, Kansas City, Missouri, has supported the KCATA’s mission to provide equitable access to public transportation by working together to expand service areas, improve infrastructure, and ensure that transit options are accessible to all residents; and

WHEREAS, dating back to at least 2013 - as evidenced by Resolution 130778 - the City Council has recognized that the financial structure supporting KCATA is not sustainable and has urged KCATA to take actions necessary to place itself on more secure financial footing without major reductions in service and without a continued overreliance on the City of Kansas City, Missouri; and

WHEREAS, the City has repeatedly stepped in to cover KCATA’s budget shortfalls through additional financial contributions and reallocations of local funding to ensure that public transit services remain operational and accessible to KCMO residents and visitors; and

WHEREAS, absent any new revenues or operational efficiencies, the KCATA has stated that it needs \$93.4 million to fully fund its transit system; and

WHEREAS, the City has previously appropriated \$77 million to fund the services of the KCATA; and

WHEREAS, the parties agree that it is in their mutual interest to enter into an agreement in an amount equal to the funds previously appropriated by the City to ensure service without interruption; and

WHEREAS, the parties further agree to work together to identify operational efficiencies and additional resources to adequately fund the services provided by the KCATA up to an amount not to exceed \$93.4 million; NOW THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY,

Section 1. That Committee Substitute for Ordinance No. 250247 which authorized six months of funding for KCATA is hereby repealed.

Section 2. That the Director of Transportation is hereby authorized to enter into an agreement in an amount not to exceed \$77,892,519.00 from funds previously appropriated in Account Nos. 26-2080-692000-F and 26-2290-692000-F to provide funding for transit services for residents of Kansas City, Missouri, until April 30, 2026. The Director of Transportation is authorized to enter into this agreement subject to the following terms:

- A. KCATA shall meet specific performance measures (outlined in the Agreement) which shall not include a reduction in service routes but will include a prohibition on adjustments of routes (including markups) or extensions to headways unless approved by City Council.
- B. The parties shall review the IRIS Service data and make cost reduction recommendations up to suspension of service. In the event of an IRIS service suspension, the City will host a focused employment fair for IRIS drivers to connect them with City employment opportunities.
- C. KCATA shall implement an electronic system within six months which requires a projected revenue goal of \$10,000,000.00 annually. KCATA shall formulate a functionally free fare structure and system, in a manner that ensures current riders transition to the system without complication or confusion, and ensure that businesses and social service organizations can reestablish and distribute fares for those most in need to include low-income riders, individuals connected to or receiving services from social service agencies, students, and other groups and report back to Council with the functionally free fare plan for the City of Kansas City within 30 days.
- D. KCATA shall demonstrate progress towards these items through presentations to Council or a Council Committee every two months.

Section 3. That the City Manager is hereby directed to report to City Council no later than December 15, 2025, with an evaluation of KCATA performance relative to this contract and to identify additional resources needed, if any, to ensure that KCATA can provide expected levels of service. The City Manager is further directed to prepare a plan, including a proposed contract amendment, which would give KCATA its desired \$93.4 million in funding within 120 days of this ordinance.

Section 4. That the City Manager is directed to partner with KCATA to implement the use of Fountain Cards as part of the electronic system for bus boarding.

I hereby certify that there is a balance, otherwise unencumbered, to the credit of the appropriation to

which the foregoing expenditure is to be charged, and a cash balance, otherwise unencumbered, in the treasury, to the credit of the fund from which payment is to be made, each sufficient to meet the obligation hereby incurred.

Tammy Queen
Director of Finance

Approved as to form:

Dustin Johnson
Associate City Attorney