



December 16, 2020

AMES TRANSIT AGENCY BOARD OF TRUSTEES

The Ames Transit Agency Board of Trustees met on December 16, 2020, at 11:00 a.m. via video conference. President Schrader called the meeting to order at 11:11 a.m. with Trustees Beatty-Hansen, Jeffrey, Ludwig, and Schainker present via video conference.

ELECTRONIC MEETING DECLARATION: This meeting is being held electronically because of the COVID-19 pandemic, and the Governor of Iowa's Public Health Disaster Emergency Declaration which included limits on public gatherings; therefore, it is impractical to hold an in-person meeting." (§21.8(1)(c) and §21.3)

APPROVAL OF OCTOBER 28, 2020 MINUTES: Trustee Jeffrey made a motion to adopt the October 28, 2020 transit board minutes as presented and Trustee Beatty-Hansen seconded the motion. (Ayes:5 Nays: None) Motion carried.

PUBLIC COMMENTS: None.

NEW BUS PURCHASE – FOUR GILLIG LOW FLOOR BUSES: Director Neal requested board approval for the purchase of four 40-foot diesel buses. She explained that several grant sources cover approximately 81% of the cost, which was included in the FY 2021 Capital Improvement Plan (CIP). Preliminary pricing via the Iowa Department of Transportation statewide bus bid with Gillig Corporation is \$468,509 for each bus. Additional costs for technology will be within the budgeted amount, with final pricing refined six months before the buses are built. Director Neal pointed out that the requested grant amount of \$1,930,378 is a reduction from the amount listed in the board packet, which was \$1,945,943.

Transit Director Neal recommended approval of Alternative #1, with an amendment to the grant amount listed in the board packet, with a not-to-exceed amount of \$1,930,378 for the purchase of four 40-foot buses from Gillig Corporation. This will allow CyRide to replace four obsolete buses, moving CyRide closer to meeting its federal Transit Asset Management (TAM) goals.

Trustee Jeffrey made a motion to adopt the amended Alternative #1, to approve award to Gillig Corporation of Livermore, California, in the not to exceed amount of \$1,930,378 for the purchase of four new 40-foot diesel buses. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

2021/2022 RATE SETTING RESOLUTIONS: Director Neal requested approval of the 2021/2022 Rate Setting Resolution. She explained that this year the format for the approval has been changed to include both the fares and passes in one agenda item. Director Neal noted that the shuttle rate was increased from \$95.00 to \$105.00 to align with the shop rate and the cost of operating service.

The Transit Director recommended approval of Alternative #1, to adopt the proposed 2021/2022 rates, so City Ordinance requirements would be fulfilled, and the cost of shuttle services would align with the shop rate.

Trustee Beatty-Hansen made a motion to adopt Alternative #1, to approve the 2021/2022 rates, which reflect changes to the Miscellaneous Revenues section from the 2020/2021 rate structure. Trustee Jeffrey seconded the motion. (Ayes: 5 Nays: None) Motion carried.

FISCAL YEAR 2022 BUDGET: Director Neal stated that the FY 2022 proposed budget has no increases to the local funding partners, but still includes major initiatives, including technology, training, and employee development. Data collection using technology will help improve system efficiency by expanding the number of vehicles using automatic passenger counters (APCs). Director Neal explained that expected decreased ridership and revenues will make technology and training and development for employees a vital part of moving forward in a post-pandemic future.

Director Neal reviewed the current year (FY 2021) amended revenues, which use the one-time Federal Coronavirus Aid Relief and Economic Security (CARES) Act funding that the Transit Board approved in October. She explained that \$2,250,000 from the Federal Government annual Section 5307 funds were moved to capital for the electric bus purchase in FY 2023; capital purchases can increase the federal funding share under this revenue source to 80-85%. Director Neal reviewed a chart that displayed all the revenue sources, totaling over \$16.4 million for the current year. CyRide applied for and was awarded a total of \$7,028,297 in CARES funding; \$6,000,000 of this award was applied to wages in the current year amended budget at a 100% federal share, requiring no local match. She explained that funding from the State of Iowa from new car sales is anticipated to be similar to prior years at \$800,000 and revenues from advertising, transit contracts, reimbursements, and interest income that comprise the “other” category will total \$776,023. She added that farebox revenues are also expected to be lower at \$227,000 because of lower ridership and free fares during the pandemic.

Director Neal summarized a chart that reflected the current year (FY 2021) amended expenses. She stated that wages and benefits are the largest expense at \$8,802,340 and commodities are the next largest expense at \$1,627,100; commodities include fuel, parts and lubricants. She added that fuel prices have remained low during the pandemic and are budgeted at \$2.75 per gallon. Director Neal said that total expenses are projected to be \$12,098,064 and are likely to be lower in FY 2021 due to fewer buses being used to cover busy trips due to low ridership and a shortened academic calendar year.

Director Neal provided a summary of the three reserve funds: Operations Fund, Capital Reserve Fund, and the Student Government Trust Fund. She explained that these separate funds provide stability to the organization. Director Neal stated that the board has a policy to have the closing Operations Fund balance between 7.5-10%. She explained that the anticipated final balance of \$1,631,441 for FY 2021 is above the 10% threshold and will not be reallocated due to uncertainty about future funding resulting from the pandemic. Director Neal said the Capital Reserve Fund will end FY 2021 with a balance of \$474,814 and will carry over to FY 2022 to fund capital purchases. She explained that the Student Government Trust Fund is projected to end the current fiscal year with a balance of \$156,338, which is lower than the goal of \$500,000 due to lower enrollment, activity fee suspension, and no fee increases for the 2020/2021 academic year.

Director Neal gave an overview of the FY 2022 Operating Budget request of \$12,540,000, a 3.7% increase compared to the FY 2021 amended budget. She explained that this budget maintains existing levels of service with no additional funding being requested from the local funding partners.

Director Neal stated the FY 2022 budget revenues will use the regular Federal Government Section 5307 funds toward wages, as well as the remaining \$1,028,297 of CARES funds. She explained that the State of Iowa revenues are expected to be the same at \$800,000, while fare collections are expected to decrease by approximately 11.2% or \$25,000 and other revenues from advertising, transit contracts, reimbursements, and interest incomes are expected to decrease by approximately 1.3% or \$9,850 when compared to the current FY 2021 amended budget.

FY 2022 budget expenses were reviewed by Director Neal. Wages and benefits were increased by 3.7% when compared to the amended FY 2021 budget due to contractual and non-contractual wage and benefit increases. Commodities were increased by 2.3% over the FY 2021 budget; fuel prices were estimated at \$2.75 per gallon for a 0.2% increase and parts were estimated at an increase of 6.3% to account for the aging fleet and one additional unplanned engine failure. Contractual services were increased by 1.3% to account for increases in utilities. Internal services, which pay for services from other city departments, increased by 10.3%, which includes the addition of a diversity and inclusion coordinator in Human Resources to assist other city departments with achieving the organization's goals.

Trustee Schainker asked for clarification of the amended FY 2021 budget federal government allocation and why there was no amount listed in the Operations Fund summary. Director Neal explained that \$2,250,000 from the annual Section 5307 funds were reallocated because it required a 50/50 match of local funds, and there were not enough eligible wage expenses due to the use of \$6,000,000 in CARES funds. Trustee Schainker asked how the difference between \$6,000,000 CARES funding being used this FY 2021 and only \$1,000,000 CARES funds being used in FY 2022 was being accounted for in the budget. Transit Scheduler/Administrative Analyst Rob Jennings explained there will be a \$3.6 million revenue surplus this year that will be carried over to future years. Director Neal pointed out the beginning balance of \$4.6 million in the FY 2022 proposed budget.

Director Neal reviewed the capital fund for FY 2022. With \$800,000 being transferred to the capital fund from the amended FY 2021 budget to FY 2022. Director Neal explained that the Capital Improvement Plan (CIP) contained in the board packet has been incorporated into the overall budget request. She explained that each year a 5-year CIP is developed to ensure that equipment is kept in a state of good repair. The annual capital budget provides funding for transit vehicles, building improvements, bus stop renovations, technology projects, and equipment for the shop and office.

Director Neal reviewed the FY 2022 CIP sheets that detail the budget for vehicle repair and rehabilitation, facility improvements and expansion, technology improvements, bus stop improvements, and shop and office equipment. Through the CIP, vehicles are purchased, corrosion issues on vehicles are addressed, heating, ventilation, and air conditioning (HVAC) components are replaced, safety equipment for fall protection is obtained, improvements to the exterior of the building are made, concrete is added or replaced, technology projects are added or upgraded, concrete is added to bus stops or shelters, specialized maintenance equipment is purchased and maintained, and office equipment, including computers, are purchased.

Director Neal explained that the CIP for FY 2023-2026 is fluid, as many future projects are determined by funding and grant availability. She outlined the proposed vehicle replacement schedule, which replaces two to five 40-foot buses each year, with one 60-foot bus replacing a 40-foot bus in FY 2023 and FY 2024; newer buses will lower emissions, keep vehicles in a state of good repair, and assist in meeting federal TAM plan goals. In FY 2023, three battery electric

buses will be purchased using the one-time transfer of the FY 2021 annual Section 5307 funds. She added that in FY 2023, the bus that is leased to Heart of Iowa Regional Transit Authority (HIRTA) for Dial-A-Ride will be replaced and in FY 2024, the van for the Dial-A-Ride program will be replaced.

Director Neal reviewed other future projects in the CIP for FY 2023-2026, which would upgrade the fuel dispensing system to lessen spills and increase efficiency, replace aging HVAC equipment in the building, address a failing water main in FY 2024, expand the facility in FY 2025 and FY 2026, continue technology purchases, improve bus stops and replace concrete, continue the investment in specialized maintenance equipment, and replace office equipment.

The Transit Director recommended approval of Alternative #1, to approve the FY 2022 budget as presented.

Trustee Schainker made a motion to approve the amended FY 2021 budget as presented and to adopt Alternative #1, which approves the FY 2022 budget as proposed, with no increase in costs to the local funding partners. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

MONTHLY REPORT:

Fare-Free Election Day: Free rides were offered to the public on Election Day. Passenger counts for the day were not much different than other days, but response to the event was positive, with several news stories in media outlets listing CyRide as an option for getting to the polls.

Theodore the Bus: CyRide's shop created a bus with a turkey on it for a fun promotion to encourage community engagement. The bus ran on routes throughout the city. A drawing for a prize was held for children who completed an entry when they rode the bus or saw the bus on route and notified us by email. A bus featuring Rudolph will be debuting soon.

Fall Semester Ridership Update: Ridership for the fall semester through November 24 is down 65.8% when compared to the same time last year. Other transit systems are also experiencing significant declines in ridership. Ridership will continue to be carefully monitored.

Transit Chief Safety Officer Update: The hiring process for the position began in November. The Civil Service Commission will be certifying the list at their next meeting on Thursday. Once the list is certified, an official offer will be extended, and the position should be filled before January 1, 2021.

Triennial Review Update: Answers to the supplemental questions have been provided to the federal auditor. A review with the auditor via video conference will take place on January 19, 2021.

Quarterly Report: A detailed report of the overall performance is included in the board packet. Key performance measures are listed for fixed route, Dial-A-Ride, and Moonlight Express. Lower ridership is affecting metrics.

Spring Meeting Dates/Times:

- January 15, 2021 at 2:00pm
- February 19, 2021 at 2:00pm
- March 19, 2021 at 2:00pm
- April 16, 2021 at 2:00pm
- May 21, 2021 at 2:00pm

Adjourn: Trustee Jeffery made a motion to approve adjourning at 11:55 a.m. Trustee Schainker seconded the motion. (Ayes: 5 Nays: None) Motion carried.

Jacob Schrader, President

Julie Brousard, Recording Secretary