



**August 11, 2021**

**AMES TRANSIT AGENCY BOARD OF TRUSTEES**

The Ames Transit Agency Board of Trustees met on August 11, 2021, at 4:30 p.m. in the CyRide Conference room. President Jeffrey called the meeting to order at 4:29 p.m. with Trustees Beatty-Hansen, Cain, Jeffrey, Ludwig, and Ríos Martínez present.

**APPROVAL OF JUNE 17, 2021 AND JULY 29, 2021 MINUTES:** Trustee Ludwig made a motion to adopt the June 17, 2021 and July 29, 2021, Transit Board minutes as presented and Trustee Beatty-Hansen seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**PUBLIC COMMENTS:** None.

**AGENCY SAFETY PLAN ANNUAL REVISION AND CERTIFICATION:** Director Neal explained that the Federal Transit Administration (FTA) requires agencies receiving Urbanized Formula funding to have an agency safety plan (ASP) that is reviewed and certified each year. She said that the changes are listed in the board packet and a copy of the full proposed plan was available at the meeting. Trustee Cain inquired about whether the risk matrices had been approved by the board. Transit Chief Safety Officer, Kevin Gries, explained that the risk matrices were part of the plan that was previously approved by the board in October. He added that the updates would provide a more thorough categorization of the severity of the accidents according to injuries and financial and environmental impact.

The Transit Director recommended approval of Alternative #1. Adopting these revisions will continue to reinforce CyRide's existing safety culture, ensure compliance with FTA regulations, and maintain the organization's eligibility to receive federal funding.

Trustee Cain made a motion to approve Alternative #1 and adopt CyRide's Agency Safety Plan as presented, to be effective on August 11, 2021. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**2021 ICAAP GRANT APPLICATIONS:** Director Neal reviewed the Iowa Clean Air Attainment Program (ICAAP) that is available through the Iowa Department of Transportation (Iowa DOT) to fund transportation projects that reduce congestion and improve air quality. She explained that three years of service can be funded at 80% of actual costs, including capital and operating expenses, during the first five years of a new service's operation. Director Neal said the application for reimbursement would include anticipated expenses of \$89,697 for the third year of night and midday service for the #6 Brown, #11 Cherry and #12 Lilac for FY 2023. Applications are due to the Ames Area Metropolitan Planning Organization by October 1, 2021, who will submit the application to the Iowa DOT.

The Transit Director recommended approval of Alternative #1, to submit three ICAAP grant applications to support the operating expenses of added night and midday services. If approved, this grant would reduce the local funding required to support current service on these routes during the next federal fiscal year (October 2022–September 2023), allowing previously committed local dollars to be used for other operating needs.

Trustee Beatty-Hansen made a motion to approve Alternative # 1, to submit three operating ICAAP grant applications: #11 Cherry for \$31,609, #12 Lilac for \$29,830, and #6 Brown for \$28,258, for a total of \$89,697 in operating expenses on three night and midday services. Trustee Cain seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**CRRSAA AND ARP ACT GRANT APPLICATIONS:** Director Neal said that last December the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) provided \$14 billion in funding to transit agencies through the FTA for their response to the COVID-19 pandemic. She reviewed a second source of funding available via the American Rescue Plan Act (ARP) that provided \$30.5 billion for transit in March; both CRRSAA and ARP funding are provided at a 100% federal share with no local match requirement.

Director Neal said that CyRide will receive \$1,081,492 in CRRSAA and \$6,163,516 in ARP funds, for a total of \$7,245,008. She explained that two grant applications must be filed to receive this funding. Director Neal reviewed the obligation deadlines, stating that CRRSAA funding has no end date, but ARP funding must be obligated in a grant by September 30, 2024. She added that both grants will be applied to payroll in FY 2022 and FY 2023 and fully exhausted by the first quarter of FY 2023.

The Transit Director recommended approval of Alternative #1, to submit two applications for federal operating assistance under CRRSAA and ARP. Approval of these applications will help CyRide continue to respond to the COVID-19 pandemic appropriately and will increase the number of options open to the Transit Board once the full financial impact of the pandemic becomes known.

Trustee Cain made a motion to approve Alternative #1, to authorize the Transit Director to execute and file two Section 5307 operating grant applications for \$1,081,492 under CRRSAA and \$6,163,516 under ARP for a total of \$7,245,008 to the Federal Transit Administration for FY 2022 and FY 2023 payroll operating expenses. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**SECTION 5307 FORMULA FUNDING CAPITAL GRANT APPLICATION:** Director Neal requested approval to file and execute CyRide's annual Section 5307 Grant application to receive federal formula funding. She explained that Section 5307 funds are typically applied to fixed-route payroll in the operating budget, but to expedite use of the Coronavirus Aid Relief and Economic Security (CARES) funds the board approved using the FFY 2021 Section 5307 funding for the purchase of three additional battery electric buses in FY 2023.

Director Neal reviewed a table that compared the apportionment for both FFY 2020 and FFY 2021, stating that the FFY 2021 apportionment has increased by 0.3%. She added that the grant application to the FTA must detail the capital project that it is supporting. The purchase of three additional battery-electric buses have been identified and programmed in the Capital Improvements Program. Director Neal displayed a table detailing the anticipated budget for the 5307 Funding that was referenced in the board packet.

The Transit Director recommended approval of Alternative #1, to submit an application for federal capital assistance toward a battery-electric bus project. This would allow access to the Section 5307 formula funding to expand the sustainable vehicle fleet at CyRide and replace buses that have significantly exceeded their useful life.

Trustee Ludwig made a motion to approve Alternative #1, authorizing the Transit Director to execute and file a Section 5307 grant application for capital assistance in the amount of \$2,502,489 to the Federal Transit Administration for a battery-electric bus project. Trustee Ríos Martínez seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**PART-TIME TRANSIT DRIVER HIRING WAGE INCENTIVE:** Director Neal requested board approval to create a part-time transit driver hiring wage incentive due to difficulty hiring and retaining drivers. She explained efforts to address the situation are ongoing, but only 73% shifts are filled for the fall schedule when 86% are typically filled at this time. The five-year average number of drivers hired is 42; 31 drivers were hired this past year, of which 3 did not complete training and 3 resigned within the first year.

Director Neal stated the current starting wage for a part-time driver is \$16.96 per hour with a \$250 hiring bonus that is split into two payments. She reviewed a list of area employers that offer sign-on bonuses above \$250 and starting wages that start at or above \$15 per hour, saying CyRide no longer has a competitive advantage. Director Neal said that wages are set through the collective bargaining agreement in section 22.7 of the Union Contract and does allow for new employees to be recruited with a hiring wage incentive for difficult-to-fill positions.

Director Neal requested board approval of a hiring incentive to be temporarily used in FY 2022 to attract new employees. She displayed a table that contained the different amounts and the budgetary impacts based on hiring 42 people, the average number of drivers hired each year. Director Neal said that she is recommending approval of Alternative #1, offering a temporary part-time driver hiring wage incentive of \$750, in addition to the current wage and the existing hiring bonus. She said that the incentive would be advertised as a \$1,000 hiring bonus to simplify the posting.

Trustee Cain asked if the amount would be split up over time. Director Neal said she would work with the Union and the Human Resource Director to appropriately implement the incentive and would like to see it split into two or three payments. Trustee Ludwig inquired how many drivers were still needed. Director Neal said that we are short about 30 part-time drivers. President Jeffrey asked if the total amount offered in the incentive should be capped for budget purposes. Trustee Beatty-Hansen said that the numbers did not propose a significant risk and did not think a cap was necessary. Further discussion was had about challenges of hiring for the position, current efforts, and long-term solutions, including restructuring the hiring process to train people to obtain their Commercial Driver's License Permit and possibly paying for the cost of the permit.

The Transit Director recommended approval of Alternative #1. Offering a temporary part-time driver incentive wage would improve CyRide's ability to attract new applicants at a cost less than covering shifts with overtime pay.

Trustee Cain made a motion to approve Alternative #1, to offer a temporary part-time transit driver hiring wage incentive of \$750 for FY 2022, and direct CyRide staff to work with the Human Resources Director and the Union to follow the steps detailed in section 22.7 of the Union contract. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**VOLKSWAGEN SETTLEMENT ENVIRONMENTAL MITIGATION TRUST AWARD-INFORMATIONAL:**

Director Neal reviewed the timing and the terms of the application that was submitted under the Volkswagen Settlement Environmental Mitigation Trust (VW) this past January. In July, CyRide was notified that the request for \$500,000 in funding for the purchase of seven 40-foot buses was approved by the Iowa DOT. Director Neal said that a fourth round of VW Settlement funding will be offered and when the details of the application submission are learned, possible projects will be brought back to the Transit Board for consideration.

**PURCHASE OF NEW BUSES:** Director Neal requested approval of the award of contract for the purchase of eight 40-foot buses to Gillig Corporation. She explained the formula and discretionary funding sources that will cover 97% of the cost, with local funding amounting to \$121,138. Director Neal said that the board previously approved local funding for the purchase of three 40-foot buses in the FY 2022 CIP, totaling \$229,894. VW funding needs to be requested in a lump sum of \$500,000 and would reduce the amount of local funding to \$121,138 for all eight 40-foot buses.

Director Neal reviewed the replacement schedule and preliminary pricing using the approved Iowa DOT statewide heavy duty bus bid with Gillig Corporation. She explained that the price per bus is \$470,000, without technology such as automatic vehicle annunciators, automatic passenger counters and other technological features. Director Neal said that the award to Gillig Corporation would be for a not-to-exceed amount of \$4,104,257, considering each bus at an approximate cost of \$513,032, which takes the budget for the technology features into account. Trustee Ludwig asked for clarification about if the buses were already planned to be purchased and if this is just adjusting the funding to use the VW funding. Director Neal said that seven 40-foot buses were originally being discussed and that by purchasing eight buses, the VW funding would be fully exhausted. Trustee Beatty-Hansen inquired about the difference in purchasing battery-electric buses versus diesel buses. Assistant Director Rendall said that the battery-electric buses are approximately twice the cost.

The Transit Director recommended approval of Alternative #1. This would allow for the replacement of eight obsolete buses at a low cost to the local funding partners, move CyRide closer to meeting its federal Transit Asset Management (TAM) plan goals, and reduce overall fleet emissions with newer, cleaner-burning engines.

Trustee Ludwig made a motion to approve Alternative #1 to award to Gillig Corporation of Livermore, California in the not-to-exceed amount of \$4,104,257 for the purchase of eight new 40-foot heavy duty diesel buses. Trustee Beatty-Hansen seconded the motion. (Ayes: 5 Nays: None) Motion carried.

**FY 2021 PRELIMINARY OPERATIONS FUND CLOSING BALANCE- DISCUSSION:** Director Neal stated that it is board policy to have between 7-10% in the operations fund closing balance. She explained that funds in excess of the maximum percentage can be reprogrammed for unmet capital needs. The final closing balance for FY 2021 is typically available in December, after the audit process, and is currently estimated at \$10,848,227. She reviewed the amounts allocated for cash flow requirements, closing balance, and projects that had previously been committed to by the board, leaving an anticipated unaudited closing balance of \$6,000,106 that has not been committed.

Director Neal reviewed several options that the board could consider for future capital projects using some of the funds that are available for reallocation. Options included setting aside approximately \$1 million for a battery-electric bus fund for future Low or No Emission discretionary grant opportunities, reallocating \$2.5 million for the purchase of new 40-foot buses and \$1 million to a facility expansion fund. Director Neal said that the total of these three proposals would be \$4.5 million; specific purposes or projects do not have to be identified to transfer the funds from operations to capital and could be decided later.

Trustee Beatty-Hansen departed at 5:16 p.m.

President Jeffrey shared that she would like to see the battery-electric buses as a priority. Trustee Ludwig asked what the level of concern was for funding in upcoming years and how declining enrollment, or other issues might be addressed. Director Neal said that increases to the funding partners are planned to be kept as minimal as possible. CyRide 2.0 accounted a 5% increase each year to the funding partners for the foreseeable future, which is not a sustainable model. She said that impacts from COVID-19 have not all been realized, so the system recalibration will need to occur when ridership has returned to a more normal level. Director Neal reminded the board that capital purchase always come before the board and could be moved back into the operating budget if necessary. She confirmed that the board was comfortable with her presenting proformas reallocating \$4.5 million from the operating to the capital budget at the September meeting.

#### **MONTHLY REPORT:**

**IPTA Annual Conference:** IPTA Annual conference was held virtually in June. Staff had training opportunities to collaborate with their peers about current challenges, including strategies for hiring. Director Neal gave a presentation about Iowa Developmental Disabilities Council Grant that funded the Automated Passenger Counter project.

**Camera System Procurement:** A request for proposal (RFP) will be issued in the coming months for a mobile security system with onboard video recording. The contract with the current provider, Seon, is now five years old. The results of the RFP will be brought to the Transit Board for consideration.

**National Night Out:** CyRide staff participated in the community event sponsored by the Ames Police Department. A 40-foot bus was available to the public and a family with a child using a wheelchair received a loading demonstration. Over 300 CyRide bags with promotional information about hiring were distributed.

**Fourth Quarter Report:** Details about the fixed route, Dial-A-Ride and Moonlight Express are provided in the report. Ridership is down about 66.4% when comparing FY 2021 to FY 2020. Numbers are skewed due to COVID-19 pandemic. Trustee Ludwig asked if numbers have increased as things have opened up. Director Neal said that ridership has not rebounded and that peer systems share the same circumstances. Trustee Ludwig asked if FY 2019 would be used for grant funding. Director Neal said that using FY 2019 is being advocated but has not been confirmed.

**Adjourn:** Trustee Ludwig made a motion to approve adjourning at 5:34 p.m. Trustee Cain seconded the motion. (Ayes: 5 Nays: None) Motion carried.

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Liz Jeffrey, President

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Julie Brouard, Recording Secretary