



December 8, 2021

AMES TRANSIT AGENCY BOARD OF TRUSTEES

The Ames Transit Agency Board of Trustees met on December 8, 2021, at 4:30 p.m. in the CyRide Conference room. President Jeffrey called the meeting to order at 4:31 p.m. with Trustees Cain, Ludwig, Ríos Martínez, and Schainker present.

ANTICIPATED CLOSED SESSION REGARDING LITIGATION: President Jeffrey asked City Attorney Mark Lambert if there was a legal reason to go into Closed Session. Mr. Lambert replied in the affirmative, citing Sections 21.5(1)c, *Code of Iowa*, to discuss matters presently in or threatened to be in litigation.

Trustee Ludwig moved approval for closed session pursuant to Section 21.5(1)c, *Code of Iowa*, to discuss matters presently in or threatened to be in litigation. Trustee Cain seconded the motion. (Ayes: 5 Nays: None) Motion carried.

Moved into Closed Session at 4:32 p.m. and reconvened in Regular Session at 4:42 p.m.

President Jeffrey stated that no action was taken during the Closed Session.

APPROVAL OF NOVEMBER 10, 2021, MINUTES: Trustee Cain made a motion to adopt the November 10, 2021, transit board minutes as presented and Trustee Ríos Martínez seconded the motion. (Ayes: 5 Nays: None) Motion carried.

PUBLIC COMMENTS: None.

BUS CAMERA SYSTEM AWARD OF CONTRACT: Director Neal requested approval of an award of contract for bus camera systems. All fixed route buses are equipped with cameras inside and outside. She stated that CyRide, along with the Purchasing Department, issued a new camera system request for proposal for the initial purchase of 12 camera systems, with the option to renew in 1-year periods for the next three years. Four bids were received and ranked, and the two highest scorers were invited to present to CyRide staff. Safety Vision was deemed to have the best overall value for CyRide.

Trustee Schainker asked how the winning bidder's costs compared to the other bids received. Assistant Director of Fleet and Facilities James Rendall said that the costs for Safety Vision were in the middle range of the other bids received.

The Transit Director recommended approval of Alternative #1. Award of the contract will allow CyRide to continue equipping vehicles with necessary camera systems at the best possible cost for the organization.

Trustee Ludwig made a motion to approve Alternative #1, approving award of contract to Safety Vision of Houston, Texas for an initial purchase of \$52,381.80, with the option to purchase additional equipment during the contract period with relevant approvals. Trustee Schainker seconded the motion. (Ayes: 5 Nays: None) Motion carried.

RECONDITIONED REPLACEMENT ENGINE AWARD OF CONTRACT: Director Neal requested approval of an award of contract for replacement engines. She explained that 15 buses purchased in 2010 are experiencing excessive crankcase pressure due to cylinder wear; four have been removed from service. Maintenance staff has determined that the best course of action will be to replace the engines with reconditioned engines.

Director Neal explained a request for quotation (RFQ) was issued in coordination with the Purchasing Department for the award of contract for replacement engines. Three bids were received, which included the cost of the base engine and shipping cost, along with core costs, which will be refunded after the disposed engine is exchanged for the replacement engine. Through evaluation and scoring of the bids, it was determined MCH Kenworth was the lowest qualified bidder.

The Transit Director recommended approval of Alternative #1. This option would enable CyRide to make needed repairs to the four buses mentioned above and return them to regular in-service usage.

Trustee Schainker made a motion to approve Alternative # 1, to approve award of contract for the purchase of four reconditioned engines to MHC Kenworth of Des Moines, Iowa for a total cost of \$129,343.68. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

FY 2023 BUDGET: Director Neal stated that after 18 months of significant ridership decreases, ridership is gradually beginning to return. She stated the focus in the next budget year will be to rebuild the ridership base and adjust to a new normal. The next budget year will focus on technology initiatives and the data collected through the automatic passenger counters (APCs) to assist in identifying system efficiencies. Director Neal explained that exploring new customer amenities such as demand-response software will provide a better customer experience and support expansion to areas not covered by fixed routes. She noted that it will also be necessary to invest in employee training and development to continue CyRide's commitment to providing exemplary customer service and remain an industry benchmark organization.

Director Neal reviewed the current budget year, stating that the total amended revenues for FY 2022 are estimated at \$16,540,500, which includes one-time federal funding through the Coronavirus Aid, Relief and Economic Security (CARES), Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARP) of 2021; use of the one-time funds was expedited by applying \$6,100,000 to employee wages, with no local match required. The annual Section 5307 funds were transferred to the capital reserve fund for the purchase of three battery electric buses next year. She explained that funding from the State of Iowa comes from new car sales and is estimated at \$800,000. Miscellaneous revenues from advertising, transit contracts, reimbursements, and interest income totaled \$766,173, while farebox revenues for the current year are estimated at \$201,500.

Director Neal reviewed the FY 2022 amended expenses, which are estimated to be \$12,530,127. She said the largest expenses are wages and benefits, accounting for \$9,136,882. Fuel, lubricants, and other commodities account for \$1,665,450 and contractual items, including services provided by contractors and vendors and utilities, account for \$1,079,586 of expenses. Director Neal explained that internal services are \$647,609 and include services performed by other City of Ames departments such as Legal, Human Resources, data services, and messenger services. The total expenses for the current year are projected to be \$12,530,127.

Director Neal reviewed the three reserve fund accounts maintained to provide financial stability to the organization: Operations Fund, Capital Reserve Fund, and Student Government Trust Fund. She said the Operations fund covers unanticipated needs, providing cash flow for items requiring local match or other expenses. The board has a requirement that 7.5-10% of expenditures be maintained in the Operations Fund closing balance. Director Neal explained that after the Transit Board's reallocation of \$4.5 million to the Capital Reserve Fund in the September board meeting, the Operations Fund is still anticipated to be \$1.5 million above the 10% threshold. The Capital Reserve Fund, used for grant and capital activities, is anticipated to have \$227,632 at the end of the current fiscal year that can be carried over to the next fiscal year for capital purchases. She said that this number does not include the reserves reallocated for the facility and bus replacements. Director Neal explained that the Student Government Trust Fund is used to stabilize contributions from the Student Government to CyRide's operating budget. The fund balance fluctuates based on ISU enrollment, SG approved fees, and service levels. Three straight years of significant enrollment declines prior to the pandemic, an activity fee suspension, and a zero percent increase in activity fees for the 2020/2021 academic year have combined to impact the SG Trust Fund balance significantly. The fund was projected to end FY 2021/22 with a budget shortfall of \$165,544. Operational savings from virtual classes and a timely reallocation of funds allowed the SG Trust Fund balance to remain positive but lower than the \$500,000 goal for the fund but represents a significant first step toward rebuilding the balance.

Director Neal stated that the budget being requested for FY 2023 is a 3.1% increase from the FY 2022 amended budget with a 2% increase for the City of Ames and Iowa State University Administration and 0% for the Student Government. She reviewed the federal government funding budget revenues, with \$2,225,971 in annual funding and the remaining \$2,047,216 of CRRSSA and ARP funding. The State of Iowa funding, provided by new car sales, is estimated at \$800,000. Farebox revenues are estimated at \$189,400 due to declining ridership, and other revenues from contracts, reimbursements, and interest are budgeted at \$780,803.

Director Neal reviewed the expenses projected in the FY 2023 budget, stating that expenses have increased 3.1% over the current year's amended budget, totaling \$12,922,842. She said wages and benefits are increasing by 3.6% for FY 2023 due to contractual and non-contractual wage and benefit increases. Director Neal explained the overall commodities increase of 3.2%, saying that fuel was budgeted the same as the year prior at \$2.75 per gallon, but parts were increased by 11.8% to reflect the aging fleet and two possible engine replacements. She said that contractual expenses are projected to decrease by 3.0%, and internal services will increase by 7%, mainly due to higher insurance rates.

Trustee Ludwig asked how the State of Iowa funding is estimated. Director Neal explained that the funding is based on a percentage of fees collected on new vehicle sales. She explained that due to the pandemic, it is difficult to project how vehicle sales will rebound, so the amount estimated is the same as last year.

Trustee Schinker asked what percentage above the adopted budget for FY 2022 was being requested for FY 2023 because the amended budget was referenced throughout the presentation. Director Neal replied that FY 2023 budget is a 3.0% increase in expenditures over the adopted FY 2022 budget.

Director Neal provided information about what is included in the Capital Improvements Plan (CIP), which reflects a five-year plan for vehicle replacement and rehabilitation, facility improvements and expansion, technology improvements, bus stop improvements, and shop and office equipment. She explained that implementing projects identified in the CIP will help achieve and maintain a State of Good Repair (SGR) but is dependent on federal, state, and local funding.

Director Neal reviewed the proposed purchases for FY 2023 outlined in the CIP, stating that the remaining four years in the plan are more fluid due to unknown circumstances and future funding. She noted that FY 2023 reflects a transfer of \$1,400,000 to the capital reserve to purchase buses and support facility improvements due to the availability of one-time federal funding in FY 2022. Vehicle replacement and rehabilitation in FY 2023 will include the purchase of three battery electric buses, using the annual Section 5307 funds, two new 40' diesel buses, and two new vehicles that will be leased to Heart of Iowa Regional Transit Authority (HIRTA) to operate the Dial-A-Ride program with 85% of the costs being paid for with federal funds received through grants. She added that an operations support vehicle is due for replacement in FY 2023 and is budgeted at \$40,000.

Director Neal stated that the proposed FY 2023 budget for facility improvements and expansion includes Phase 3 of the heating, ventilation, and air conditioning (HVAC) system replacement project; equipment 20-30 years old will be replaced and paid for with 80% grant funding. She added that new carpet, paint, and LED lighting are also planned for improvements on the first floor of the administrative building. Other items in the proposed budget under the facility improvements and expansion category are \$40,000 for concrete and \$50,000 for architectural and engineering (A & E) services.

Director Neal provided an overview of the technology projects planned for the FY 2023 budget, including infotainment monitors that display upcoming stops along the route and offer advertising opportunities. Other projects planned for FY 2023 are maintenance software used for tracking work, maintaining inventory, and ordering parts, and demand response software for managing flexible transit services.

There was a brief discussion about the bus stop improvement plan and how both CyRide 2.0 and the pandemic have shifted ridership patterns, impacting what amenities may be suitable for a particular stop. Further analysis of ridership and conditions at bus stops will be done to determine future bus stop improvements. Director Neal added part of the \$40,000 budgeted for concrete could be used to address more minor issues in the interim.

Office and Shop equipment was the remaining category that was discussed. The proposed FY 2023 budget included \$14,400 for replacing office equipment such as computers, laptops, printers, chairs, and stand-up desks and \$50,000 for specialized equipment used in the maintenance division to maintain vehicles and keep them in a state of good repair.

Director Neal noted that the remaining four years of the Capital Improvements Plan (CIP) could vary based on the availability of funds and grant opportunities. Replacement of two to four buses each year and a 60' bus to replace a 40' bus in FY 2024 and FY 2025 will help meet Transit Asset Management (TAM) Goals. She added that the CIP in FY 2026 and FY 2027 plans for the replacement of one 40' bus with a battery electric bus. Director Neal said that future expansion and improvement projects are budgeted in FY 2024 for the maintenance area and FY 2026 and FY 2027 for the overall facility. Staff will be looking for state and federal funding opportunities to fund projects that support improvements and expansion.

The Transit Director recommended approval of Alternative #1, to approve the FY 2023 budget as presented. This budget allows CyRide to continue offering the transit services the community relies upon, preserves the SG Trust Fund, and minimizes additional costs to the funding partners during a challenging financial period.

Trustee Schinker made a motion to Alternative #1, approving the FY 2023 budget as proposed, with a 0% increase for the Student Government and a 2.0% increase for the City of Ames and ISU Administration. Trustee Ludwig seconded the motion. (Ayes: 5 Nays: None) Motion carried.

MONTHLY REPORT:

Battery Electric Bus Exterior Designs: The first two battery electric buses will be delivered this summer, with more planned in the CIP. Proposals for a unique exterior design were requested from marketing firms to draw attention to the battery electric buses. The board reviewed four of the designs from Trilix, the winning firm, and narrowed the selection down to three options by eliminating Option 3. A survey will be distributed to CyRide employees and the community for their favorite of the three remaining designs, hopefully creating excitement about the battery electric buses.

Theodore and Mr. Gobbles: Before Thanksgiving, a few buses were outfitted with turkey designs on the front of them. They included Theodore, who made his debut last year, and Mr. Gobbles, who was added to the Orange route for those on campus to enjoy this year. In addition, Rudolph, the red-nosed reindeer, is currently on the front of a bus and is hopefully bringing some cheer to the community.

Initiatives with ISU: A large freshman class is expected at Iowa State University next fall, so staff has been working with the Office of Admissions on an event called Admitted Student Day to coordinate transportation and educate new students and parents on how to use CyRide. In addition, the Office of Student Health and Wellness and the Office of Student Affairs have asked staff to put A-Frames at bus stops displaying resources for mental health and stress management during finals week.

President Jeffrey asked if window clings could be used on shelters or buses for advertising items like this or the App. Director Neal replied that we do have interior ads on the buses advertising the App, and staff is currently looking into displaying messages like this in the shelters.

Mask Mandate: On December 3, 2021, it was announced that the mask mandate would be extended to March 18, 2022. Trustee Schainker asked if there have been any issues with riders not having a mask or not wanting to wear one. Assistant Director Crippen replied that there had been several community riders that have not had a mask but had been provided one. She said that there had not been any escalated incidents or violence.

Trustee Ludwig made a motion to adjourn at 5:25 p.m. Trustee Ríos Martínez stated that she had some items she wanted clarified. Trustee Ludwig rescinded his motion to adjourn.

Trustee Ríos Martínez inquired about the possibilities of adding concrete at stops and how to address inquiries made by students regarding stop conditions. Assistant Director of Operations Chris Crippen said that inquiries could be forwarded to her. Trustee Ríos Martínez also requested that staff not provide printed meeting materials to board members using laptops or tablets.

Adjourn: Trustee Ludwig made a motion to approve adjourning at 5:28 p.m. Trustee Ríos Martínez seconded the motion. (Ayes: 5 Nays: None) Motion carried.

Liz Jeffrey, President

Julie Brousard, Recording Secretary