



March 23, 2022

AMES TRANSIT AGENCY BOARD OF TRUSTEES

The Ames Transit Agency Board of Trustees met on March 23, 2022, at 4:00 p.m. in the CyRide Conference room. President Jeffrey called the meeting to order at 4:00 p.m. with Trustees Beatty-Hansen, Clayburn, Ludwig, and Schainker present.

APPROVAL OF FEBRUARY 23, 2022, MINUTES: Trustee Ludwig made a motion to adopt the February 23, 2022, Transit Board minutes as presented, and Trustee Clayburn seconded the motion. (Ayes: 5 Nays: None) Motion carried. Trustee Cain joined the meeting at 4:01 p.m.

PUBLIC COMMENTS: None.

BATTERY ELECTRIC BUS FACILITY IMPROVEMENTS – AWARD OF CONTRACT:

Director Neal requested approval of the award of contract for the Battery Electric Bus (BEB) Facility Improvements project. In preparation for accommodating the BEBs scheduled to arrive this summer into CyRide's fleet, modifications need to be made to the facility, including installing a transformer pad for a 480-volt transformer, new facility switchgear, a charger platform, and installation of charging equipment. The bids were released on February 8, 2022, and due on March 9, 2022. Two bids were received, with Jaspering Electric Inc. submitting the low base bid of \$282,800. On their bid, Jaspering Electric Inc. noted they would not be able to meet the June 24, 2022, completion date due to supply chain issues and were expecting a 30-week delay, which aligns with information obtained from the Architecture and Engineering (A&E) firm and the City of Ames Electricity Department. CyRide has worked with the A&E firm to identify a temporary solution to allow the chargers and dispensers to function when the BEBs arrive until the permanent switchgear is installed, which will be addressed through a change order and is expected to be less than the difference between the two bids.

Director Neal recommended approving the base bid and rejecting bid alternate #1, for extending the charger platform, to leave contingency room for change orders. Trustee Beatty-Hansen inquired if CyRide would be able to manage without the extended concrete platform. Director Neal clarified that the cost of extending the concrete for future expansion of the charging equipment was unexpectedly high, and the funds would be best used as a contingency.

Trustee Ludwig made a motion to approve Alternative #1, to award the contract for the CyRide Electric Bus System Upgrades project to Jaspering Electric Inc. of Ames, Iowa, for the base bid amount of \$282,800, and reject bid alternate 1. Trustee Beatty-Hansen seconded the motion. (Ayes: 6 Nays: None) Motion carried.

HIRTA CONTRACT AND ANNUAL CUSTOMER SURVEY:

Director Neal requested approval to continue subcontracting with Heart of Iowa Regional Transit Agency (HIRTA) for FY 2023 for paratransit service. CyRide is required to provide a complementary paratransit service, also known as Dial-A-Ride (DAR), for passengers who cannot use fixed route services. Since 2012, we have contracted DAR service to HIRTA, and we currently have a three-year contract with two options to extend the contract. FY 2023 will represent the fifth year of this agreement. Annual DAR survey results, performance measures, and the proposed renewal rates were presented to assist the board in determining whether they would like to continue contracting the service.

DAR customers are surveyed annually to gain input on overall customer impressions and to gather information to improve services. For the 2021 survey, we only contacted DAR passengers who had ridden in 2021, so we could focus on those riders with experience using the service. Customers indicated they were satisfied with the service HIRTA was providing. In reviewing the DAR performance goals compared to HIRTA's actual performance, it was found that HIRTA had met most of the performance goals and the ones not met were due to low ridership as a result of the pandemic. HIRTA has indicated an interest in continuing the contract, and their letter of intent was provided to the board. HIRTA's proposed rate increase is 7.06% for weekday trips. Due to this percentage being higher than last year, the increase was compared to several urban and regional systems in Iowa. It was determined that the increase was within industry standards. If the service is contracted, 80% of the \$370,000 anticipated to be received in Section 5310 "Elderly and Disabled" federal funding may be applied to operating costs for DAR. CyRide would need to fully fund it with local dollars if we internally handled the service.

The Transit Director recommended approval of Alternative #1, approving HIRTA's contract for a fifth year. The contract has proven to be a cost-effective approach to serving individuals in the community needing specialized transportation.

Trustee Schainker made a motion to approve Alternative #1, to approve HIRTA's contract for the next fiscal year. Trustee Ludwig seconded the motion. (Ayes: 6 Nays: None) Motion carried.

STATE GRANT AND PUBLIC TRANSIT INFRASTRUCTURE GRANT (PTIG) APPLICATIONS:

Director Neal requested approval of the State Grant and Public Transit Infrastructure Grant (PTIG) applications. CyRide annually submits grant applications to the Iowa Department of Transportation (Iowa DOT) to support operating and capital needs. These applications are due May 1, and if approved, this funding will be available for the FY 2023 budget year. State Transit Assistance (STA) funding is estimated to be \$894,378. It is assured funding with no local match requirement. Elderly and Disabled Section 5310 funding is estimated to be \$370,000. It will be utilized for DAR and non-traditional projects, such as infotainment bus signage and annual service fees for Automatic Vehicle Locators (AVL) and Automatic Vehicle Annunciators (AVA). Section 5339 or Public Transit Management System (PTMS)/ICAAP funding is received by the State of Iowa for bus replacements and is competitively selected. CyRide will not be informed if its buses are selected until later in the FY 2023 budget. Public Transit Infrastructure Grants (PTIG) funding is also competitively selected at the state level. CyRide is requesting funding for the Shop Rehabilitation Project, which will improve workflow, pollution control, and safety features in the shop area. A public hearing will be held on April 25, 2022, at 10:00 a.m. to discuss this application with the community. Any written or oral comments received during the public meeting will be shared with the Transit Board at a subsequent meeting and will be included in the final submission to the Iowa DOT.

The Transit Director recommended approval of Alternative #1, approving the FY 2023 State Grant and Public Transit Infrastructure Grant (PTIG) applications as presented. These applications support transit services in the Ames community and lowers the overall local funding commitment from the funding partners.

Trustee Beatty-Hansen made a motion to approve Alternative #1, to approve the FY 2023 State Grant and PTIG applications. Trustee Schainker seconded the motion. (Ayes: 6 Nays: None) Motion carried.

SYSTEMWIDE FARE FREE ANALYSIS:

Director Neal requested board direction on investigating the feasibility of a future fareless system. The elimination of fares is a complex issue that must be carefully considered. Three components were presented to the board to assist in understanding the history of fare free at CyRide and the potential impacts of fare changes.

The first component was an analysis that overviewed the two fareless initiatives taken at CyRide. In 2001, the universal pass agreement with the ISU Student Government was initiated, which allowed ISU students to ride the bus for free by showing a valid ISU card. ISU students voted to pay their portion of CyRide services through their student fees. ISU fare free was phased in over two years due to the magnitude of this change on CyRide operations. ISU fare free was a transformative change for CyRide and has impacted all areas of the organization. Before going fare free, ridership was approximately 3 million passengers. Since its full implementation in 2003, ridership has increased by over 30%. The increased ridership has subsequently increased CyRide's state and federal funding tied to high ridership levels, such as the Small Transit Intensive Cities (STIC) funding. ISU students account for over 93% of our riders, and ridership has always mirrored what is happening at ISU. The Student Government percentage of yearly revenue increases was 20.1% and 54.7% for the first and second years, while the City of Ames was 7.5% for both years and ISU Administration was 7.5% and 4.1%. The annual increase between 2002-2022 has averaged 8% for the Student Government, 5.2% for the City of Ames, and 5.0% for ISU Administration.

The second fareless initiative implemented at CyRide was a summer fare free pilot project in 2009. The Ames City Council funded the pilot project with a budget of \$93,000. Ridership increased by 26.7%. After the summer pilot program, a survey was conducted, and we learned that CyRide gained new riders and increased usage from existing riders. There were also indications that the community would support a fareless system. However, it is difficult to determine the ongoing costs of a fareless system based on the summer pilot program because we believe there would likely be a demand for more frequent service or expansion of service to underserved areas if implemented. Trustee Beatty-Hansen inquired why there was no additional activity with fareless implementation after the pilot program finished. Director Neal and Trustee Schainker answered that the city council members had changed, and their goals differed from the previous council.

Director Neal then discussed the second component, an analysis of three transit agencies with large university populations that had implemented fareless systems. Chapel Hill, NC showed its ridership doubled during its first year. Logan, UT had a goal of increasing the mobility of university students, K-12 students, and senior citizens. Its ridership increased by 85% in the first year. Austin, TX implemented a fareless system in 1989 and ended it in 1990. Ridership increased by 75%, but the program also faced issues with passengers and needed to hire security staff to address it.

The final component in the high-level preliminary estimate was costs associated with moving to a fareless system. As part of the scope of work for the system redesign, the consultants, Nelson\Nygaard, provided a Fare Free Analysis. They reviewed existing conditions before CyRide 2.0, best practices from other agencies, ongoing costs associated with fare collection, and evaluated the ridership and revenue implication of three different fare scenarios. Fare Pricing Rollback was scenario #1, which rolled back fares from \$1.25 to \$1.00. The board adopted this scenario during the system redesign. Ridership was expected to increase by 0.3%, but it is difficult to determine if this happened due to the pandemic. Scenario #2 was Systemwide Fare Free, which was anticipated to increase ridership by 2.3%. Scenario #3 was a Tiered ISU Fare Zone, which had a two-tiered system of on and off-campus zones for ISU students and was anticipated to keep ridership the same. The consultant analyzed only each option's ridership and revenue implications and not capital or operating expenses. CyRide 2.0 was intentionally designed not to increase the operating budget and to limit the increase to the local funding partners to 5% per year.

The farebox accounts for approximately 1% of revenues and eliminating fares would likely increase ridership. It would also help advance equity within the community by reducing the cost of transportation for those least able to afford it. However, it would likely increase the community's expectation for additional bus frequency and the expansion of routes. If ridership rebounds to pre-pandemic values, it is anticipated to increase by 2.3% or 140,000 passengers. Trustee Schainker inquired about the cost to add new routes. Director Neal said the estimated cost to add a bus on a route or a new route depends on the frequency and length of the route, but a good estimate is approximately \$250,000 per bus. Trustee Schainker and Trustee Beatty-Hansen inquired about reducing the carbon footprint if we were to look at this as an investment in the reduction of carbon. Chief Safety Officer Kevin Gries explained that the carbon savings from transit use are from direct and indirect effects. In the direct effect, people choose to take the bus over their vehicle, and carbon is saved from the vehicle. However, as more people do that, you must add additional services. As a result, the buses emit more carbon than the vehicles they replace. The net gain comes from efficient land use. Reducing the length of trips, limiting parking lot use, and creating better space for pedestrian traffic will lead to a greater indirect effect on our carbon footprint. Trustee Jeffrey suggested we need to look at equity to our citizens and how to provide service to Ames' new development and business areas. Director Neal went on to explain that staff has estimated operational costs by adding 12,400 revenue hours to our current fixed route service for a cost of approximately \$1,011,557. CyRide would also need to invest additional funds in DAR services because if regular transit is free, paratransit must also be free. It is estimated that DAR would increase by 20% and have an additional cost of approximately \$42,000. We would also need to add additional staff, such as mechanics, full-time drivers, and part-time dispatchers. The initial estimate of costs for a fareless system is \$1,471,257.

Director Neal summarized that moving to a fareless system is a very complex issue, and should the board want to pursue a systemwide fareless model, a thorough understanding of the financial implications is necessary, including potential ridership gains, losses in passenger fare revenue, and the estimated cost from a capital and operational perspective. There would also be difficulty re-imposing fares if the system moved away from a fareless model after implementation. Working with a consultant would assist us in getting a better quantitative financial analysis of the impacts on CyRide today and in the future.

Director Neal recommended board approval of Alternative #1, directing staff to develop a scope of work and budget for hiring a consultant to investigate the feasibility of a future fareless system of CyRide. A discussion was held among the board members regarding their concerns and priorities with a fareless system. Trustee Schainker requested additional information on expansion costs and timeline. Trustee Jeffrey commented that CyRide could potentially change ridership by incorporating the greater Ames community and focusing on a different ridership group than the ISU student population. Trustee Beatty-Hansen spoke about the feasibility of phasing fareless in as a system and had concerns about how it can be incorporated into the Climate Action Plan. Trustees Jeffrey and Ludwig suggested the board come back with priorities at future meetings.

Trustee Ludwig motioned to approve Alternative #1 to direct staff to develop a budget and scope of work for hiring a consultant to investigate the feasibility of a future fareless system for CyRide. Trustee Clayburn seconded the motion. (Ayes: 6 Nays: None) Motion carried.

MONTHLY REPORT:

State Legislative Conference:

On March 7, 2022, Transit Planner Shari Atwood, Assistant Director of Operations Christine Crippen, and Transit Director Barbara Neal attended the annual Iowa Public Transit Association (IPTA) legislative conference. Director Neal and Assistant Director Crippen also attended the Lobby Day at the capital. They had an opportunity to discuss the state's 2022 legislative priorities, including fully funding Iowa's Rebuild Iowa Infrastructure Fund (RIFF), which supports the Iowa DOT's PTIG program. There was also an opportunity to discuss legislation for additional third-party CDL testers, including public transit agencies, with the legislation's floor manager, Representative Bush. We are pleased to report that the legislation passed and is waiting for approval from the governor. Before implementation, the Iowa DOT will need to modify the Administrative Rules, but we are hopeful this legislation will resolve some of the difficulties experienced with the CDL testing process.

Bus and Bus Facilities Grant Award:

On March 14, 2022, CyRide received official notice from the FTA our Bus and Bus Facilities Program discretionary grant request for three BEBs and two 60' articulated buses were fully funded at \$3,185,374. There were over 300 grant submissions, and CyRide was one of 70 projects awarded. Staff will begin evaluating the specifics of the funding and bring items requesting authorization for bus purchases to the Transit Board at a future meeting. Unfortunately, the Iowa DOT submission was not included in the awards, so CyRide's request for eight 40' diesel buses will not be funded.

Fuel Update:

There were some questions about fuel costs in the last board meeting, so staff prepared some additional information for the board. A table was presented, which showed the Iowa DOT price of #2 diesel fuel since the beginning of the calendar year. After analyzing past data, current fuel usage, and recent fuel market volatility, staff has determined CyRide will end the year below the budgeted amount for fuel. The fuel contract will be rebid in the upcoming months. If unusual volatility continues or if the cost of fuel rises higher than can be supported by the current budget, it will be brought back to the board for consideration.

Mask Mandate:

On March 10, 2022, the TSA extended the mask mandate to April 18, 2022. CyRide will continue to offer masks for passengers if they do not have one.

Spring meeting dates:

- April 27, 2022, 4:00 p.m.
- May 25, 2022, 4:00 p.m.

Adjourn: Trustee Ludwig made a motion to approve adjourning at 4:13 p.m. Trustee Schainker seconded the motion. (Ayes: 6 Nays: None) Motion carried.

Liz Jeffrey, President

Cheryl Spencer, Recording Secretary