

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

April 25, 2008

The Ames Transit Agency Board of Trustees met on April 25, 2008 at 8:00 a.m. at CyRide's conference room in its new building. The meeting was called to order at 8:12 a.m. by President Goodman. Trustees in attendance: Anders, Madden, and Schainker. Absent: Trustee Ayers and Holleman. Mitch Hayek, GSB appointee to replace Trustee Holleman was present.

APPROVAL OF MINUTES: Trustee Anders made a motion to approve the minutes from the March 26, 2008 Ames Transit Agency Board of Trustees meeting. Trustee Madden seconded. (Motion carried unanimously).

PUBLIC COMMENTS: No public comments.

RECOGNITION OF OUTGOING BOARD MEMBER: Trustee Madden presented Trustee Goodman with an appreciation gift and thanked him for his dedication and commitment to the Ames Transit Agency as he served in various capacities on the transit board.

RATE-SETTING RESOLUTION – FARES (2008-1): Director Kyras explained that the next year's rates are set by the transit board each year. The shuttle and shop rate is proposed to increase from \$72 to \$74 and CyRide will continue the fuel surcharge that is calculated on a case-by-case basis based on the last fuel purchase at the time of the shuttle service. With current discussions regarding community-wide fare free, it is the Director's recommendation that the other fares remain unchanged for the next fiscal year.

Trustee Madden made a motion to approve the Rate Setting Resolution – Fares (2008-1). Motion seconded by Trustee Schainker. (Motion carried unanimously.)

RATE-SETTING RESOLUTION – Fare (2008-2): Director Kyras told the transit board that the number of passes sold for the past year was expected to increase by 10.9%. The Director recommended the fare structure remain the same for the next fiscal year until the decision is made on the community-wide fare free policy.

Trustee Madden made a motion to approve the Rate Setting Resolution Fare (2008-2). Motion seconded by Trustee Schainker. (Motion carried unanimously.)

MINI-BUS PROCUREMENT: Director Kyras explained CyRide was awarded federal dollars through the statewide bus replacement process to replace three minibuses. CyRide is proposing to purchase one minibus under the City of Ottumwa bus bid using the same board approved procurement from December 2007 for the minibus that will be leased to Heartland Senior Services.

CyRide will purchase one bus at this time for a total purchase price of \$62,335. Following an internal review of CyRide's vehicle replacement program and funding, CyRide staff believes that the replacement of 40' buses is more critical for the agency at this time and funding from the remaining two minibuses could be applied to these larger bus purchases.

Trustee Anders made a motion to approve the purchase of one minibus for CyRide use under the Region 15 procurement of vehicles statewide. Motion seconded by Trustee Madden. (Motion carried unanimously.)

TRANSIT ADVERTISING CONTRACT: Director Kyras told the transit board that CyRide's currently contracts with Houck Transit Advertising for exterior and interior sales rights; however, the existing contract expires on April 30, 2008. Therefore proposals were solicited and due to the city on April 18, 2008. One proposal was received from Houck Transit Advertising. The proposal increased annual net revenue from \$25,200 to \$101,000; the monthly minimum payment from \$2,100 to \$8,400; and, the percentage of net revenue from 51% to 52%. Director Kyras told the transit board that she had contacted four transit systems and surveyed them on their advertising contact terms. She found that each transit system received no more than 50% of the net/gross revenues under their existing contract. Director Kyras indicated that CyRide staff felt this was a good arrangement with Houck.

There was concern among the transit board members regarding the length of the contract with a multi-year commitment as well as the definition of net revenue and the monitoring of these revenues. Discussion pursued regarding these two issues.

Trustee Schainker made a motion to award the bid to Houck Transit Advertising for a five year period with an annual renewal of the contract by the Board of Trustees and the City Council. Motion was seconded by Trustee Anders. (Motion carried unanimously.)

CHARTER REGULATION ANALYSIS: Director Kyras explained CyRide must abide by the new service restrictions established by the Federal Transit Administration. A change in the charter regulations prohibits public transit systems from competing with private organizations for charter bus service within the community. Under the new regulations, the main change in the new regulations concerns the definition of a charter which now refers to the flow of funds from a third party as opposed to the existing regulations which defines charters as exclusive use of the vehicle. A list of criteria was provided to determine if the transportation is considered a charter under the new regulations. In addition, each transit system must now complete paperwork on FTA's website and transit systems will be monitored by the FTA and private bus companies to see if public transit operators are violating the criteria. Currently there are 35 private bus operators on the list CyRide will need to contact asking if they wish to provide charter service for a specific charter request and the private operators will have 72 hours to respond.

One positive outcome from this charter regulation is that transit systems can now provide up to 80 hours per year of charter service for government officials on "official government business" if the service is provided at no cost to the group. The board packet included a summary of the regulations issued by the FTA. If the FTA believes a charter violates these new regulations, they can issue a "Cease and Desist Order" against a transit system and the transit system is subject to losing all or part of their federal funds.

The three major funding partners are part of the transit agency so the transit board will need to determine which services it can legally continue to operate under these

new regulations. The impact for CyRide on regular service could effect the Orange route which is partially funded under a contract with ISU's Parking Division; Brown route from Towers, funded by ISU's Residence Department; and Football/Basketball Shuttles which are funded by ISU's Parking and Athletic Departments. Additionally, sports and EIS shuttles which could now be termed charter service.

Director Kyras asked the board for direction on whether they desired to take a no risk approach to the new regulations or to work with the Iowa DOT and FTA to determine if some current service could be provided under the new regulations. The board indicated a desire to continue as much service as was legally possible under the new regulations and to work with others on determining these services. Director Kyras indicated that she would be working on gaining a full understanding of the regulations and would report back to the board at the next meeting on which services it could legally continue in the future. Julie Weeks, Ames Visitor and Convention Bureau and Trustee Goodman suggested everyone will need to be more creative and take each event on a case by case basis and serve the community as best it can under the new regulations.

Director Kyras also told the transit board that the regulations allow for the creation of a locally-owned bus fleet that would need to be housed and maintained off of CyRide property. This would allow the community to still be able to address smaller movements of large numbers of people.

IMPACT OF FEDERAL FUNDS REDUCTION: Director Kyras informed the transit board that the FY08 federal transit assistance, published in the *Federal Register* earlier this year, will have an impact on CyRide's FY09 budget. The reduction of \$104,178 in federal dollars due to lower than anticipated Small Transit Intensive Cities funding is expected to be a one-year challenge. Positive funding is expected to return in FY10 because CyRide's ridership has increased substantially from the statistical year used to calculate the FY08 Federal STIC funding allocations which is the formula basis for this federal funding source.

This reduction in funding can be addressed by three options. Director Kyras explained that the three options were: Option 1, reducing service; Option 2 replacing only two buses in the FY09 capital budget instead of the budgeted three; and Option 3 to reduce the operating budget's closing balance by the actual FY09 deficit to balance the budget at the end of the year.

The consensus of the transit board members was to address the \$104,000 reduction in the new budget year with the revised budget in November 2008.

PROPOSED NEW SERVICE TO E. 13th STREET: Director Kyras discussed the proposed new service to the Life Style Center which is expected to be a major employment site. Ridership to the new mall is estimated to be approximately 900 riders per day requiring two vehicles during the busier parts of the day and one vehicle at other times. The total operating expense for this new service is expected to be \$288,088 with CyRide expecting to collect approximately \$16,000 per year in farebox revenue. The net cost for this service is anticipated to be \$271,805. CyRide staff plans to apply for numerous grants to aid in paying for the operating and capital expenses for this service. These grant sources are: Job Access Reverse Commute

(JARC) grants which could provide 50% of the operating money; ICAAP and New Freedom grants could provide funding for buses. The Mall has committed \$50,000 toward the local share for buses.

Trustee Madden made a motion to move forward with the applications to help fund new service to E. 13th Street. Motion seconded by Trustee Anders. (Motion carried unanimously.)

TRANSIT DIRECTOR'S REPORT: Since the March transit board meeting, Change Order #8 was approved for a total change of \$3,403.00. The building celebration dates were set: April 12 at 2:00 p.m. is the Ribbon Cutting ceremony and Saturday, April 17, 9:00 – noon is the Open House for the public. The results of the Fare Free grant application were received and the grant was not funded by the Power Fund indicating that they believed that ridership would not increase and that a coordinated approach was needed.

SET TIME AND PLACE OF NEXT MEETING: Transit board members will be contacted to arrange the date and times for the next transit board meeting.

President Goodman then expressed his thoughts on the direction that he felt CyRide should move toward in the future. One of these ideas address the city-wide fare free project and educating the public on their contribution to this carbon footprint reduction through public transit usage. Trustee Goodman considers this an experiment and if it does not work, regard it as a lesson learned and discontinue city-wide free fares. He suggested a smaller trial project where passes would be provided randomly to families throughout the city and then track their transit usage.

Additionally, President Goodman suggested providing free passes to transit board members. Trustee Madden mentioned this had been attempted with the ISU Athletic Department and was not well received.

President Goodman suggested that CyRide staff be more aggressive on providing better bus stops throughout the City especially bus stops that are dangerous for passengers. One bus stop to be considered is the bus stop by Lowes. Bus stops should not make passengers feel like second class citizens boarding the bus.

President Goodman also discussed being more aggressive about adding bike racks to the buses. Discussion then took place among the transit board members and CyRide staff regarding which route could be the best test for a demonstration project on bike racks. Transit board members discussed the potential and cost of a demonstration project and directed staff to develop a bike 'n bus proposal for discussion at the next board meeting.

ADJOURN: Meeting adjourned at 9:43 a.m.