

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

October 30, 2009

The Ames Transit Agency Board of Trustees met on October 30, 2009 at 8:00 a.m. in the conference room at CyRide. The meeting was called to order at 8:01 a.m. by President Anders. Trustees in attendance were Madden, Pinegar, Popken, Anders, and Schainker. Absent: Trustee Heilman.

**APPROVAL OF MINUTES:** Trustee Madden made a motion to approve the minutes of the September 30, 2009 transit board meeting and seconded by Trustee Schainker. (Four ayes; zero nays; motion carried unanimously).

**PUBLIC COMMENTS:** There were no public comments.

**HOUCK TRANSIT ADVERTISING PRESENTATION:** The advertising presentation with Tom Houck was tabled and will be rescheduled later when Tom Houck can attend to discuss this topic. Director Kyras provided some information concerning the advertising. CyRide has a three-year contract with Houck Advertising that guarantees CyRide \$101,000 each year. The first year, sales did not generate the \$101,000 as guaranteed so Houck issued a check to fulfill the guaranteed amount. Tom would like to discuss some options for advertising on the inside and outside of the CyRide buses that could help meet the \$101,000 guarantee. Transit board members asked if the contract has an escalating clause within the contract and the answer is that it does not. The contract will stay the same, guaranteeing CyRide 52 percent of the sales, to meet the \$101,000 guarantee. An RFP was issued for this contract, and Houck Transit Advertising was the sole bidder for the advertising.

Trustee Popken arrived at 8:05 A.M.

**FUEL CONTRACT ANALYSIS:** Director Kyras gave a brief account of the status of the fuel contract project as of October 30, 2009, with four of the two month contracts completed. To date, CyRide has achieved a budget savings of \$186,347.57 averaging \$1.66 per gallon as opposed to the \$3.25 per gallon budgeted. The first two months of the contract, CyRide purchased fuel at a \$1.57 a gallon and off the rack, the price was \$1.48; however, CyRide shortly thereafter began benefiting from the contract arrangement. Comparing the contract price to the off the rack price, CyRide has saved \$23,966.72. The Director indicated that contracting will not always benefit CyRide; however, in the current fuel environment, it is beneficial and it has accomplished the main goal of stabilizing fuel expenses in the budget.

CyRide's current fuel contracting arrangement will end on December 31<sup>st</sup>, and staff will prepare a recommendation for the board in January or February as to the benefits of entering into another contract. CyRide will not contract at this time when farmers are harvesting and the demand is high for diesel fuel which in turn increases the market price.

**BUDGET OPTIONS:** Director Kyras pointed out that the 2010-11 budget will be difficult with the varying budget situations faced by the three funding partners - the University faces many challenges, the City is cautious, and the GSB is in a healthy position. In light of this, CyRide is asking for some direction from the transit board as they begin developing next year's budget. CyRide prepared a baseline analysis of inflationary increases only with no service or staffing changes.

The baseline budget indicates:

- Fuel price - \$2.30 a gallon, current actual cost is approximately \$1.75 per gallon and 2009-10 was budgeted at \$3.25 per gallon.
- Wages show a 3.5% increase in union wages per the contract.
- Benefits increase +6.3% (Health insurance +10%).
- Purchasing is +33% (based on the total cost of capital items received). This increase was created by the receipt of federal stimulus dollars for bus purchases which are purchased on a national basis as opposed to work generated by the City of Ames Purchasing department.
- Uniforms will decrease 33% because CyRide has reached the last year of phasing its new uniform.

Revenues show:

- State funds will decrease 6%, \$18,500
- Federal funds will decrease 5.5%, \$125,000, because CyRide did not receive the fifth performance criteria for federal Small Intensive Cities funding.
- Interest revenue decreased 50%, \$30,000.
- Fares increased 8.4%, \$15,000.

Overall, total revenue decreased by 1.6%.

Capital/ Operating Balance:

- CyRide would transfer to the Capital Budget, \$632,000 (Local Match)
- Operating closing balance – 11.4%, \$833,014
- Capital Closing Balance. \$657,579
- Trust Fund Balance, \$670,601

To maintain the baseline budget for the next fiscal year, a 3.5% increase from the three funders is required. Director Kyras then discussed the total dollars and increased funding needed for this baseline budget.

Budget options for service next year to maintain current ridership levels are:

- #6 Brown Route weekday Evenings – Campus to Mall
- #6 Brown Route Saturday – Campus to Research Park
- #6A Brown Route – Saturday and Sunday afternoons (Towers)
- #1 Red Route Weekday – 5-minute service frequency
- #1 Red Route/#3 Blue Route Weekdays – Noon to 2:00 p.m.

- E. 13<sup>th</sup>/Dayton Route (which is new and is the route CyRide will place the buses on for buses requested in the ICAAP grant) and would operate 4 morning and afternoon trips during the week.
- #6A Brown – Towers existing service shifting from a contract with the university to CyRide.

In addition to service changes, staff asked the Transit Board to consider staffing changes to better align its staff with the increased ridership levels. The specific modification recommended by staff is the addition of a supervisory position in the operations area that would allow for more coverage in the evening and weekend. Dispatchers operate CyRide on the weekend with no supervisory leadership; with the increased ridership on weekends particularly on CyRide's Moonlight Express, the transit agency is in a vulnerable position. For budget purposes, this position has been expenses at the City of Ames' Pay Grade 57, for approximately \$60,000 in wages and benefits.

CyRide has considered additional possibilities within the budget to offset the additional costs in services and staffing.

- CyRide could reduce the closing balance to 10% in light of the stability provided by fuel contracts. This reduction generates \$91,808.
- Maintenance area reduction, which would generate approximately \$40,000.
- Reducing the capital fund transfer, postponing one bus purchase or miscellaneous shop equipment, for \$32,000.

The above budget reduction options total \$163,000, which could be applied to the additional services and staff.

The Transit Board engaged in a lengthy discussion which included: the concern that the reductions were one-time savings (capital fund transfer and closing balance) and funding the E. 13<sup>th</sup> St. service for one year to meet the requirement of a grant. Additionally, the board discussed various ways to generate additional revenue to pay for transit services such as varying contributions from the three funding partners and a fee for commuters driving to Iowa State Center and riding CyRide into Campus.

CyRide staff will prepare a budget recommendation for presentation to the Board at the December 2009 meeting.

**TRANSIT DIRECTOR'S REPORT:** Director Kyras' report included:

- Eight of the past 12 months have experienced record monthly ridership for CyRide and November is anticipated to continue this trend.
- Intermodal Facility Update – Of the \$1.5 billion available for TIGER funds, \$56 billion have been requested in projects which may lead to applications being cut or federal project funding reduced. A second round of application cuts will occur in early December with the US DOT contacting applicants to determine the

viability of their project is lower federal dollars are available. Director Kyras has a meeting scheduled for the following week with ISU, City, and CyRide staff to discuss additional scenarios if it does not receive full funding. Postcards from students, at the request of the GSB, have been sent to Senators Harkin and Grassley showing support of the facility.

- CyRide Staff received notification earlier in the month that its RIDE application, to upgrade two additional buses from diesel to hybrid and for assistance for its biodiesel program, have been denied.
- Substantial completion for Wash Bay Repair/Maintenance Exhaust System construction should be completed by mid November and is anticipated to be presented at the December Transit Board meeting for the board's approval.
- CyRide staff met with ISU representatives, including personnel from the Department of Agriculture/Animal Sciences, to discuss the possibility of obtaining land for CyRide's expansion. This land is located south of Highway 30 on State Street and is currently home for the Wiley-Blackwell Publishing facility. CyRide is interested in purchasing additional land, 12 -15 acres, for future expansion.

**TIME AND PLACE OF NEXT MEETING:** The next transit board meeting to be held on Wednesday, December 9 at 8:00 a.m. in the CyRide Conference Room.

**ADJOURN:** Meeting adjourned at 9:07 a.m.

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Robert Anders, President

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Joanne Van Dyke, Recording Secretary