

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

September 30, 2009

The Ames Transit Agency Board of Trustees met on September 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 and Trustees in attendance were Heilman, Madden, Pinegar, Popken, Anders and Schainker.

APPROVAL OF MINUTES: Minutes from the July 29, 2009 and August 19, 2009 transit board meetings were presented to the transit board. Trustee Popken made a motion to approve the July 29 and August 19, 2009 minutes. Motion seconded by Trustee Heilman. (Five ayes; zero nays; motion carried unanimously).

PUBLIC COMMENTS: There were no public comments.

SUMMER FARE FREE ANALYSIS: Director Kyras provided the results of the Summer Fare Free program that ended August 15, 2009 and was funded by the City Council. There were three areas that were analyzed to determine the impact of the Summer Fare Free program - ridership and cost statistics, rider surveys, and customer comments. When compared to the same period last year, CyRide provided an additional 113,258 rides, which represents a 26.7% increase. The operational impact of the program was minimal as no additional buses were added except minibuses were switched out for 40 ft. buses to accommodate the additional rides. The City Council agreed to provide \$93,600 to fund this service and the actual cost for this service was \$91,032, which is approximately a \$2,000 savings.

CyRide distributed two surveys to passengers. One was a short survey for all passengers and the second one was a longer, statistically valid survey of rider opinions. The short survey found that 20% of the riders were new riders due to the free program; 34% of existing riders indicated they rode more; and the third question, if the fare free program were to continue, would it be a good use of property taxes, indicated that 62% believed it would be a good use. The second survey corroborated the information found in the short survey and provided more in-depth understanding of student versus non-student riders.

Trustee Popken indicated that the program was not funded with property tax revenues and believed this might have been confusing. Shari Atwood indicated that the question stated that the current program was funded with the local option sales tax, but that one way to fund it in the future was with the existing property tax levy for transit. This question was only meant to gauge whether riders were receptive to this source of funding.

Director Kyras introduced Nadia Gkritza, PH. D. – Assistant Professor CE and Bradley Grefe, Graduate Assistant from CTRE, Center for Transportation Research Foundation, who prepared and presented results from the longer, statistically valid survey.

Highlights from the open-ended questions were: saving money was the most important reason for using the Summer Fare Free program, it was also easier to ride CyRide than drive, riders did not have an automobile available, and passengers are environmentally conscious. The Red, Green, and Blue routes gained significant riders for travel to work and shopping. Most riders heard about the Fare Free program through the CyRide promotion.

The impact of ridership by route found that every route increased with some routes increasing significantly more than other routes. Responses from passengers on the Fare Free impact indicate that 84.2% passengers will continue to ride even when it is not Fare Free. The survey found that the frequency of buses, free fares, and buses on time were the most important aspects of CyRide's service.

Results from comments were very positive. Riders, excluding ISU students, felt it would be a good use of property tax dollars for Fare Free through the summer. Duane Pritchard, City of Ames Finance Department, indicated the cost increase in property taxes would be \$1.68 per \$100,000 cost.

Director Kyras told the transit board they do not need to arrive at a decision today, but would like to begin the discussion in the community about whether this program should continue in its current form or another variation in the future. Therefore, Director Kyras presented four options and asked the transit board for some direction on if/where the Fare Free program should go.

Option 1 – Summer Fare Free (2010/11 cost without marketing \$77,250).

Option 2 – Weekend/Evening Fare Free (\$65,000) without increasing fleet or driving staff.

Option 3 – K-12 Fare Free (\$8,000 – \$12,000, lost revenue only).

Option 4 – Year Round (Major impact on the facility, fleet, additional drivers, and \$1.1 million the first year).

Director Kyras indicated that staff could implement options 1 – 3, but felt that, in light of the challenges currently facing CyRide with the facility expansion needs and its lack of buses, the fourth option was not recommended at this time. She also indicated that a survey of the bus drivers indicated some challenges with the summer program such as behavior issues with kids and safety concerns placed on them due to customer's inattention to the location of bus stops. These issues would need to be addressed internally if the program was implemented on a permanent basis.

Trustee Madden indicated that the students had already paid for their portion of a fare free program so he could not recommend that they share in the cost of this program. Additionally, he indicated that particularly with the challenging budget times at the university, this was not a program the university was interested in. Trustee Anders discussed the transit cafeteria plan that his employer provides for their employees and suggested promoting this program to employers in Ames.

Following a lengthy discussion, it was decided that CyRide staff would provide a presentation to the City Council and would bring the results of this discussion back to the Transit Board.

FY2009 BUDGET ANALYSIS: Director Kyras reported the operating, capital, and GSB Trust Fund expenses and revenues for the budget year ending June 30, 2009.

Some highlights of the operation's accounts include:

- Operating expenses were 3.8% lower than the amended budget. (Fixed route expenses under about 3.7%).
- Dial-A-Ride expenses were lower.
- Operating revenues were 3.0% higher.
- Due to lower than anticipated fuel expenses, the closing operating balance increased 24.1% from the amended budget of \$940,837 to \$1,167,997, an increase of \$227,160, bringing the balance to 17.9%, which is above the board policy of 15%.
- The GSB Trust fund has a positive balance of \$267,129 for June 30, 2009.
- Overall, the trust fund balances (operating, capital and GSB) increased from a year-end balance in 2007-2008 of \$1,805,337 to \$2,269,235 in 2008-2009 resulting in an increase of \$463,898.

The budget analysis for capital changed considerably from the 2008 amended budget:

- Delay of minibus purchase and will be purchased in 2009-2010. Large order of six buses instead of multiple smaller purchases.
- Building expansion has been delayed following further study of existing building.
- Facilities increased to fund the Intermodal Facility Feasibility study.

Closing balance is \$405,326 higher because of unspent building and bus dollars.

CAPITAL FUND BALANCE: As requested at the July transit board meeting, Director Kyras presented a Capital Purchases Summary Sheet which programmed bus purchases and possible building projects over the next three years for the transit board to review. The summary sheet for 2008-09 shows a closing balance of \$680,999 after programmed purchases. The 2009-10 closing balance will be \$604,119. The last summary sheet balance for 2010-11 with funding costs for total projects of \$4,803,800, shows a closing balance of \$436,990.

The funding sources reveals CyRide will be able to purchase used buses, new buses, spend down the government federal dollars moving the average age of the CyRide fleet from 12½ to 10½ years. The national average age is seven years.

CYRIDE GROWTH/PEER REVIEW: Director Kyras provided information on the issues and challenges CyRide faces now and in the near future. CyRide is experiencing its highest ridership in its 32-year history and is suffering growing pains. Over the last four years, CyRide has added an additional million riders and it is

anticipated that this higher ridership will be sustained in the future. Therefore, Director Kyras indicated that CyRide needed to begin discussing how to successfully meet the needs of a larger transit system. Some of the challenges this presents are:

- Lack of buses
- Lack of bus storage area
- Additional administrative/operations work with more drivers and transit trips
- Additional maintenance/bus servicing (fueling, washing)

Director Kyras explained the increased number of buses that are required to carry 5 million riders per year was nine from 46 to 57 in four years. While CIT and Durham school buses have helped reduce the annual increase, they are currently providing the maximum number of vehicles possible with any resulting increases born solely on CyRide.

Trustee Schainker asked if CyRide considered looking into a third party to assist with this service. Even if CyRide had to pay a premium for this additional service, it could be more feasible than the cost of purchasing additional buses and the additional cost for storage of the vehicles only for use during the peak times. This alternative would be a cost for maybe three to four months, instead of a whole year and could cover the peak of 8:30 – 9:00 with students trying to arrive on campus for their class. Director Kyras indicated that a request for proposal could be developed to determine if this was a possibility, but her initial reaction to this is that a firm would not be interested in providing the service for only 30 minutes each weekday.

Trustee Madden asked if staggering starting times for the University and the Ames School District could be a solution to providing service and having enough buses for peak times. The discussion was that this could help reduce the peaking occurrences and that this would be a beneficial conversation to initiate.

CyRide has a fleet of 59 large buses (57 active buses plus 2 which were retired). With a peak requirement of 57, two vehicles (3.5% spare) is not adequate to meet this daily demand. FTA allows up to a 20% spare ratio. Additionally, CyRide is utilizing every inch of its bus storage facility with its existing fleet. CyRide's agreement with the University specifies CyRide cannot park buses outside. For CyRide to meet the demand in January, CyRide will need to purchase used buses and park them outside until the storage issue is resolved. CyRide is seeking permission from the University for a temporary exemption from this rule.

Director Kyras explained that with this increase in riders and buses on the street on a daily basis comes a need to maintain, service, plan for and monitor service, which each add time to current staff work schedules. Therefore, to maintain a quality system, additional staff resources will be needed in the future to maintain this new level of service.

Discussion with transit board members indicated a feeling that CyRide needs to be as conservative as possible in completing an analysis of it needs because every department has to do more with less. Some solutions discussed were to break down time of day and destination to determine what is driving the need for more service. Questions such as, "Can we contract the additional service to cover the demands?" should be addressed.

Director Kyras then compared CyRide with five similar transit systems and found CyRide was providing an equivalent level of service in almost all comparisons, with fewer resources than its peers.

A lengthy discussion followed. While increasing ridership is a good problem to have and knowing from the peer review CyRide operates very efficiently is positive, CyRide needs to address all factors, such as demographics which indicate that high school graduating classes have peaked. Additionally, a 10-year analysis completed by Iowa State University, indicates that this year is the peak for recruiting more international students who use public transportation to a greater degree.

Following a lengthy discussion, some factors/questions to consider and analyze were identified:

- Find out what is driving these additional costs; adding more manpower is not always the answer
- When do you say CyRide has reached a certain level and say enough is enough?
- Are we through the peak of high enrollments?
- Analyze options tax revenue
- What can CyRide afford?
- Analyze staggering university class starting times
- Are there more opportunities available for funding operations?
- Charge a premium for riding at the peak times?
- What do we do with tax revenue and student fees?

Director Kyras indicated what she believes needs to happen in the next 30 days, during this fiscal year and then for future budgets in order to manage this growth. In the next 30 days, CyRide will need to receive permission to park additional buses outside. Purchase used buses from other transit systems to meet January's needs. Add a line item to the FY2011 capital budget for used buses and develop staff proposals to address service providing five plus million riders.

During this budget year, CyRide will need to make a decision on the facility expansion so that bus storage can be adequately addressed next fall. For future budgets, CyRide needs to increase its fleet to have an adequate spare ratio and maintain a contingency bus fleet to address unanticipated ridership increases.

USED BUS PURCHASE: Director Kyras explained CyRide had planned for stable ridership which led staff to focus on bus replacement and not expansion to the CyRide's fleet. In light of ridership increases, CyRide has identified and is pursuing purchasing used buses from a warm climate, Fresno Transit System.

As discussed before, CyRide's peak pull out for buses has increased from 46 to 57 and CyRide is operating on a 3.5% large bus ratio.

CyRide staff is asking the transit board to approve the purchase of used buses from the Fresno Transit System. Fresno Transit for as many as 18 vehicles for sale. At this time it is not known how many will be for sale. The low estimate to purchase and transport the buses to Ames would be \$5,500 and the high estimate would be \$9,500. To meet the immediate need, CyRide staff would like a \$105,000 not-to-exceed approval to allow CyRide to purchase as many as 11 of these vehicles with the most costly option. CyRide has \$100,000 in the capital budget for these used buses.

CyRide will commit to begin retiring the PACE and Madison buses that are in the worst condition and buses between the ages of 1991 - 1996, but retain the GM's because they can carry more passengers and are in better condition. CyRide will receive 15 new buses, nine in July of 2010 and six in December 2010 or January 2011, but to meet the immediate need, CyRide needs to purchase used buses. Fresno Transit System will receive their new buses in October and CyRide staff has communicated CyRide's interest in purchasing their old buses.

Trustee Madden made the motion to approve a not-to-exceed amount of \$105,000 for the purchase of used buses from Fresno Area Express in Fresno, California and for their transportation to Ames. Motion seconded by Trustee Schainker. (Ayes - five; nays – zero. Motion carried unanimously.)

CYRIDE SATELLITE FACILITY REVIEW: Director Kyras reviewed the request by the transit board to look at two locations for the satellite facility as a possible expansion of the maintenance and bus storage portion of the facility.

Director Kyras introduced Mark Allen from Shive-Hattery, Inc. who presented the results of his preliminary visits to each site. To create their report, CyRide's Master Plan from 1999 and updated once again in 2008 was used as a benchmark for this report. From this process, these two existing building sites appear to be possible choices: CIT building at 2701 Ford Street and the Wiley/Blackwell Publishing building at 2121 State Avenue.

The site evaluation is based on 12 criteria to measure the pros and cons of each site. Based on the selection criteria there are 60 possible points for the planning report profile. From their findings, the Ford Street property scored 38 and the State Avenue site scored 43 points. The following discussion ensued regarding these sites.

- The Ford Street location is land locked, not in close proximity to the University; indoor bus parking is limited and maintenance is critical.
- The State Avenue site is in better condition, potential for one facility with the possibility of additional land for future expansion. The downside to the location is, it is not currently in the city limits of Ames, the septic system would have to be redone and there potentially could be a concern from residents in the area.

- Mr. Allen's findings indicate the State Avenue site would provide more benefits and has the option to expand at this location is agreed to by the university. CyRide will continue conversations with Iowa State about the State Avenue site.

Following a lengthy discussion, transit board members discussed what would happen with the current CyRide building if its operations were totally relocated to another site. CyRide staff will continue conversations with Iowa State personnel on short-term bus parking; finding a viable location for a satellite location, the Wiley/Blackwell publishing building at the State Avenue site with the possibility of expansion south onto ISU land at this location.

FY11 SERVICE CHANGE OPTIONS: Director Kyras indicated as part of the fall budget process, staff reviews service requests, areas where ridership has increased, and the need for additional service the next year to meet demand. The customer service requests are:

- 1) #6 Brown Route Weekday Evenings – Campus to Mall
- 2) #6 Brown Route Saturday – Campus to Research Park
- 3) Evening service to DMACC Hunziker Center
- 4) #6A Brown Route – Saturday and Sunday afternoons
- 5) #1 Red Route Weekday Service Frequency
- 6) #1 Red Route/#3Blue Route Weekday - Two Additional Hours

Other service changes:

- 1) Two options for E. 13th/Dayton route (funding CyRide received from the Iowa Clean Air Attainment Program (ICAAP) for two hybrid buses for this area.
- 2) #6A Brown Route (Towers Shuttle) – Existing Service

Trustee Pinegar discussed that the #6A Brown Route (Towers Shuttle) service could use GSB funds for this service, but would need to decide how long they would provide the funds. She indicated GSB could discuss this.

Trustee Madden asked if anything was decided with DMACC staff regarding funding the additional service to their location. Director Kyras did not receive a response from them after her initial contact, but will contact them one more time to see if they have an interest in providing funding for this additional service.

TRANSIT DIRECTOR'S REPORT: Items one and two were skipped because they were discussed earlier.

BUS ADVERTISING: Director Kyras discussed several issues with Tom Houck of Houck Advertising. One issue was in response to the controversial ads on DART buses in Des Moines. Secondly, Houck Advertising did not generate the guaranteed \$101,000 in revenue during the last fiscal year and paid CyRide \$6,000. Therefore, the company is interested in discussing possible new advertising methods that would allow them to meet the guaranteed minimum. Tom Houck will attend the October transit board meeting to present his ideas.

TIME AND PLACE OF NEXT MEETING: The next transit board meeting to be held on Friday, October 30 at 8:00 a.m. in the CyRide Conference Room.

ADJOURN: Meeting adjourned at 10:03 a.m.

Robert Anders, President

Joanne Van Dyke, Recording Secretary