

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

December 7, 2010

The Ames Transit Agency Board of Trustees met on December 7, 2010 at 5:00 p.m. in CyRide's Conference Room. Vice President Pinegar called the meeting to order at 5:02 p.m. Trustees in attendance were Pinegar, Madden, Wacha, Choi, and Schainker. Absent: Trustee Anders.

**APPROVAL OF MINUTES** – Seeing no additions or corrections to the minutes from the November 18, 2010 meeting, Trustee Madden made a motion to adopt the minutes as distributed. Trustee Wacha seconded. Ayes: 5, Nays: 0. (Motion carried unanimously.)

**PUBLIC IN ATTENDANCE:** No public in attendance.

**2011/12 BUDGET PROPOSALS:** Director Kyras explained that staff prepared a draft of next year's budget for the Transit Board's review in December and that the Board could then either take action in December or January. Before detailing the 2011/12 draft budget, she provided board members with a recap of expenses and revenues in the current budget year.

Expense budget focal points:

- 2010/11 budget remains stable with expenses and revenues.
- Expenses are lower because of higher fuel prices. The adopted budget price per gallon was \$2.30 per gallon where prices to date had averaged \$2.36 per gallon. The amended budget reflects \$2.45 per gallon for the remainder of the year in light of fuel prices continuing to rise. This will increase expenses \$140,978 above the adopted budget.
- Fixed route expenses are higher, affected by increased fuel prices and overtime expenses to operate service.
- Ridership on Dial-A-Ride service has declined, lowering this expense line item.

Revenue budget focal points:

- Revenues are higher due to the improved Iowa economy and excess GSB payments of \$335,000 placed in the trust fund.
- Federal revenues are slightly lower and reflect 2009 funding levels, as a new transportation bill has not been passed.
- State revenues are slightly higher with the economy improving.

Fund Balance:

- The amended closing fund balance will be at 8%, which is lower due to the \$67,500 expense to redesign the Intermodal Facility.
- GSB Trust Fund remains healthy; approximately \$1,000,000.

Director Kyras shared with board members the assumptions that were built into the 2011/12 budget.

- Increased expense for fuel at \$2.50 per gallon
- Increase in wage and benefits of \$22,000
- Increase in CyRide's share of the City's insurance liability at a cost of \$30,984
- IPERS employer's share increases to 8.07% adding \$72,770 to the budget

- Federal/State funding constant
- 2011/12 budget reflects a transfer of \$258,826 from the operating budget to the capital budget to purchase buses, shop equipment, etc.

Director Kyras shared with board members the decision that was made by the members at their November 2010 meeting regarding budget options to be presented at this meeting. The following options were agreed upon by the members.

- Baseline – reflecting current service/staffing levels at 2011/12 prices
- Baseline + Gray Route – adding hourly service between 11 am and 2 pm
- Baseline + Blue route – improving Sunday service frequency from 40 to 20 minutes between 11 am and 5 pm

Director Kyras also reminded board members that they had decided at the November meeting to eliminate an option that would fund baseline services in addition to the Gray and Blue route changes and that the State Revolving Loan fund would be divided equally between the City of Ames and Iowa State University.

Director Kyras explained the two service options to the transit board members and provided financial data on the percentage and total dollar increases that would be required for each option. Transit board members shared their concern with the low closing fund balance and financially supporting additional service to the Gray route. Trustee Madden indicated that the uncertainty of state appropriations, which is an unknown at this time, makes adopting a budget difficult as it will dictate the percentage change the University and City of Ames can absorb in their budgets.

Trustee Wacha indicated that maintaining core services should be the board's focus. He shared a concern with the need to increase transit services to meet business needs when the business located to the site knowing transit services were limited. He also indicated that ridership on the Blue Route was considerably higher making this option easier to justify.

Other concerns shared by board members included the volatility of fuel prices and the anticipation of higher fuel costs. Director Kyras shared additional budget considerations. She indicated that she did not anticipate any additional earmarks this next year and that since Congress had not passed a new Transportation Authorization Bill, federal formula funding levels would most likely remain at 2009 levels with no increase. Tom Davenport shared that he believed there was a possibility that CyRide would receive the fifth performance criteria for federal Small Transit Intensive Cities funding, which could possibly increase total federal dollars.

Director Kyras again shared with the transit board that they could defer their decision on which option to approve until the January Board of Trustee meeting or take action at the current meeting.

Trustee Choi made a motion to adopt alternative one and take final action at the January 2011 Transit Board meeting. Motion seconded by Trustee Madden. Ayes: 5, Nays: 0. (Motion carried unanimously.)

**2011/12 CAPITAL IMPROVEMENT PLAN:** The Capital Improvement Plan represents CyRide's capital purchases for the next five-year period with the first year the critical year for

purchases. The purchases included in the transit board packet show the grant expenditures, the local share, and the total cost of each purchase. Director Kyras detailed the purchases for the first year of the plan.

- Purchase 11, 40 ft, two articulated buses and one support vehicle. The support vehicle would expand the number of vehicles available for drivers to relieve other drivers at transfer points located throughout Ames.
- Schedule software will simplify and be more efficient with the scheduling of daily trips, drivers, and buses.
- Improvement of bus stops.
- Bus video camera systems to replace five camera systems.
- Replace original boiler for building that is 23 years old.
- Replace seven computers.
- Purchase an Automatic Vehicle Location system previewed by the transit board during the September meeting with the possibility of GSB funding.

Trustee Schainker asked how many buses would be purchased over the five-year period and what effect this had on the average fleet age. Director Kyras indicated that she anticipates purchasing twenty-seven buses over the next five years, which would reduce the average fleet age from approximately 15 to 9 years in the next two years and would remain around this age for the duration of the plan.

Trustee Wacha made a motion to defer action until the January 2011 Transit Board meeting. Motion seconded by Trustee Madden. Ayes: 5, Nay: 0. (Motion carried unanimously.)

**BUS PURCHASE/LETTER OF INTEREST:** Director Kyras noted that the two national grants recently awarded to CyRide had resulted in \$5,103,660 funding to purchase 13 vehicles within the next two budget years. This funding is from State of Good Repair, Clean Fuels, and Section 5309 grants. In order for CyRide to receive a “build slot” from the manufacturer placing CyRide buses in a que for their construction, CyRide will need to commit to six of the 40’ buses currently in CyRide’s 2010/11 budget and provide a “letter of interest” for the remaining five 40’ buses funded in the 2011/12 budget. Both of these purchases would be under the Akron, Ohio bid per Federal Transit Administration (FTA) regulations. The remaining two buses in grants are for articulated buses and another manufacturer, most likely New Flyer under the Cincinnati, Ohio bid will build these buses. The transit board will be asked to approve a purchase after July 1 for the articulated vehicles when the new budget year begins.

Trustee Schainker asked for a clarification of the meaning of a “letter of intent”. Director Kyras indicated that it meant that the Ames Transit Agency intended to commit to the purchase in the next budget year, but was not binding at this time. She indicated that the manufacturer needed this letter in order to hold CyRide’s “build slot” for the last five 40’ buses. By doing this, it allows CyRide to receive these last buses approximately six months sooner.

Trustee Madden made a motion to approve alternative one, contract with Gillig Corporation for up to \$2,344,000 for the purchase of six 40’ buses in December 2010 and a Letter of Intent to Gillig Corporation for an additional \$1,960,000 for five 40’ buses to be purchased after June 30, 2011. Motion seconded by Trustee Choi. Ayes: 5; nays: 0. (Motion carried unanimously.)

**FUEL PURCHASE UPDATE/RECOMMENDATION:** Director Kyras indicated that CyRide’s current fuel contract had expired in November and that this was the second fuel purchasing contract that CyRide had implemented. She indicated that the first contract had resulted in a saving of \$35,000, while the second experience was not as positive and cost CyRide \$5,000 more than market rates. In total, \$30,000 had been saved between the two contracts. Included with the transit board’s documentation is a fuel comparison from August 2010 to November 12, 2010 indicating actual prices paid and market rates at the time of fuel purchase.

CyRide staff is requesting direction from the transit board about entering into another fuel contract. She reminded the board that previous board policy had established a maximum of 70% of CyRide’s fuel purchased to be made under this method. Under staff’s recommendation, up to 210,000 gallons could be purchased under a contract. She also indicated that the procurement process is different for fuel contracts. As bids must immediately be awarded, Transit Board and Council approval are not possible; therefore, a not-to-exceed amount could be approved by both bodies in advance of the bid, which would allow staff to procure fuel up to that amount at the time of bid. She indicated that this process had been used in previous contracts and that this is accomplished through the City’s Purchasing Department. The not-to-exceed amount is based upon the 2011/12 budgeted fuel price of \$2.50 per gallon, which equates to \$525,000 for the period of April 2011 – March 2012. A Request for Proposal would be completed in February or March 2011; bids would be received and up to five two-month contracts would be awarded to the lowest bidder. If bids are not perceived as favorable, all bids could be rejected.

Trustee Wacha shared with the Transit Board that he was supportive of contracting because there is enough uncertainty in the market today. He also indicated that locking in the numbers in the short-term is helpful with budget planning and contracting eliminates some of this uncertainty.

Trustee Madden made a motion to approve up to five, two-month fuel contracts at a total price not to exceed \$525,000 and accept fixed rate + mark-up/deduct for the remainder of CyRide’s fuel purchased. Trustee Wacha seconded. Ayes: 5: Nays: 0. (Motion carried unanimously.)

**CYRIDE WEBSITE – BOARD OF TRUSTEE’S INFORMATION:** Director Kyras directed the transit board to the website attachments provided showing CyRide’s new home pages. CyRide, in conjunction with the City of Ames, have been developing new websites. The soft release of the new sites is scheduled for January 2011 with the public to have access by mid February.

Director Kyras directed the board members to CyRide’s current website information on the Board of Trustees page. This page includes current board members, next board meeting date, and minutes from past Board of Trustee meetings. CyRide staff is considering additions to this page and requested the board’s input on possible changes as follows:

- A listing of **all agendas**, current and past
- Trustee meeting **packets**, current and past
- **Picture** of current Trustee members
- Identification of **Board Officers**
- **Telephone numbers** as well as email links
- Short **biography** of Trustee members
- **Explanation/Guidelines on Public Comment** at meetings

After some discussion, the consensus of the transit board members was that staff should definitely incorporate all agenda and Trustee packets as well as the other possible changes if staff believes it is possible.

**TRANSIT DIRECTOR'S REPORT:**

- Federal Transit Administration selected CyRide for a Civil Rights Review audit. The Drug and Alcohol audit, that was an intensive review of CyRide's compliance in this area, was recently completed.
- Google Transit is now incorporated into CyRide's website to help customers determine bus routes and times. Not 100% accurate as Google does not include campus sidewalks, which creates inaccuracies in the bus information. A vehicle tracking system will significantly improve this type of information.
- Several significant projects will need to be completed in the next several months along with day to day work schedule.

**TIME AND PLACE OF NEXT MEETING:** January 20, 2010 at 11:30 a.m. in the CyRide Conference Room.

**ADJOURN:** Meeting adjourned at 6:24 p.m.

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Robert Anders, President

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Joanne Van Dyke, Recording Secretary