

**AMES TRANSIT AGENCY BOARD OF TRUSTEES**  
**CYRIDE CONFERENCE ROOM**

August 25, 2011

1. CALL TO ORDER: 5:15 P.M.
2. Approval of July 20, 2011 Minutes
3. Public Comments
4. AAMPO Transit Representative Appointment
5. Flood Insurance Coverage
6. State of Good Repair Bus Purchase
7. Year End Budget Update
8. Fare Increase/Service Change Study Update
9. Heartland Senior Services Update
10. Quarterly Operations Report
11. Transit Director's Report
12. Set Time and Place of Next Meeting
13. Adjourn

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

July 20, 2011

The Ames Transit Agency Board of Trustees met on July 20, 2011 at 5:00 p.m. in CyRide's Conference Room. President Anders called the meeting to order at 5:12 p.m. Trustees in attendance were Madden, Wacha, Anders and Vander Velden via conference call. Absent: Trustee Schainker and Fox.

**APPROVAL OF MINUTES:** Trustee Wacha made a motion to approve the minutes from the June 9, 2011 Ames Transit Agency Board of Trustees Meeting. Trustee Madden seconded. (Ayes: 4, Nays: 0.) Motion carried.

**PUBLIC COMMENTS:** None

**AAMPO TRANSIT REPRESENTATIVE APPOINTMENT:** Director Kyras explained to the transit board that Max Choi was the AAMPO transit representative and that his term had expired May 2011. She indicated that the Transit Board would need to appoint a transit board member to fill this vacancy on the Ames Area Metropolitan Planning Organization's Policy Committee. The committee meets four to six times a year before the City Council meeting and the meetings are very short. Transit Board members present were unable to fill this appointment and Trustee Madden proposed the appointment be tabled until the next meeting to ask Trustee Fox if she would be available Tuesday evenings and would like to fill the vacancy.

**INTERMODAL FACILITY CHANGE ORDER APPROVAL:** Director Kyras reported that the Intermodal Facility is progressing very well with walls beginning to be constructed. Up to this point, total change orders to date are \$7,172; however, the next change order, #11 for \$45,389, will exceed \$50,000 cumulatively. She indicated that the Transit Board had directed staff during the March 2011 Transit Board meeting to obtain its approval and City Council for cumulative amounts over \$50,000. Change Order #11 is for additional sheet piling needed for constructing the retaining wall along College Creek due to poor soil conditions.

Trustee Wacha asked about the contingency fund to determine if funds for this change order would compete with the bike trail extension that is hoped to be added if sufficient contingency funds are available at the end of the project. Director Kyras replied they both came from the same project budget account, but that she expected future change orders to be smaller still leaving the possibility of this addition at the end of the project. Trustee Madden made a motion to approve change order #11 to Weitz Company for a not-to-exceed amount of \$45,289 for the additional sheet piling as a result of poor soil conditions. Trustee Wacha seconded. (Ayes: 4, Nays: 0). Motion carried.

**STATE OF IOWA – STATE OF GOOD REPAIR GRANT APPLICATION:** Director Kyras reported there is a new federal funding source for discretionary dollars called State of Good Repair (SGR) and that the State of Iowa was in the process of submitting a grant,

on behalf of transit systems around the state, to replace buses. CyRide's buses can be considered for inclusion in their grant. The DOT requires a commitment that if funded, CyRide could provide the necessary local match to pay for the vehicles.

In 2010, CyRide submitted its own application and the state did as well receiving \$5 million dollars. Since CyRide applied separately and also received funding, it was not eligible for the state grant funds. Director Kyras reminded board members that within CyRide's approved application, it was awarded \$3,688,000 that will be used to replace ten 40-foot heavy-duty biodiesel buses (\$3,528,000) and purchase of new scheduling-operations software (\$160,000). The project was selected on a competitive basis for the State of Good Repair Program.

CyRide will not be submitting an application this year, but can be included in the statewide application. The spreadsheet presented at the meeting represents a priority bus list the DOT manages. The highlighted lines reveal CyRide buses. Director Kyras indicated that to be included in the grant application, it would need to indicate that the local match dollars would be available. She indicated that if the application was funded, these dollars would need to be available when the buses were delivered, estimated to be in late 2012, 2013, or possibly 2014, which would allow for accumulation of these funds over the next several years.

She indicated that if the Transit Board wishes to move forward, the transit board would have three options at the time the grant was awarded to the state.

1. CyRide could fund an additional \$136,200 in its capital program over a two-year period.
2. CyRide could reprioritize its capital purchases if uncommitted local match is not sufficient at that time.
3. CyRide could "pass" on receiving the SGR funding for all or a portion of the five buses on the list, which would allow other transit properties lower on the list to receive funding.

Trustee Schainker arrived at 5:21 p.m.

Trustee Madden made a motion to include five buses in the Iowa DOT State of Good Repair grant application. Trustee Wacha seconded.

Trustee Wacha discussed the \$1,472,688 in total local dollars available versus the \$1,346,114, which is committed to CyRide's building expansion and 13 buses that have been ordered, shop equipment, and computers. Trustee Wacha clarified that the \$136,200 in local match was the total additional local match that would need to be accumulated over the next several years. Director Kyras indicated that he was correct. Director Kyras shared that these buses could receive 90% federal funding since they were biodiesel buses. She further clarified that the two CyRide minibuses on the state's list, if awarded in a grant, would arrive before the 40' buses. CyRide would know in January 2012 whether the state's application was successful, which would be prior to next year's budget approval.

President Anders called for the vote. (Ayes: 5; Nays: 0). Motion carried.

**HEARTLAND SENIOR SERVICES CONTRACT MODIFICATIONS:** Director Kyras explained that a majority of the State's Office of Public Transit staff retired, that new staff have reviewed all existing contracts and are requiring modifications to the CyRide/HSS contract. These changes would allow for CyRide to continue qualifying for state formula money for this service.

Director Kyras discussed the proposed changes with the City of Ames Legal Counsel to determine if modifications could be accommodated by the amendment section of the existing contract to avoid cancelling the contract and renegotiating a new one. It was determined that this would be an appropriate use of this contract clause.

The items in red are the changes the DOT would like to see happen, which many are clarifications such as the source of funding for the contract, payment timing, etc. She indicated that she believed there were not substantial changes. The contract is not complete at this time and is subject to Legal Counsel, the Iowa DOT, and HSS approval. The document was distributed to the named parties, but Director Kyras has not heard back from them to date.

Trustee Schainker was concerned with the addition of the funding shortfalls statement. Director Kyras explained that this was included by the Iowa DOT staff to indicate how the transit board would address funding shortfalls. Tom Davenport, CyRide's Transit Coordinator indicated that the transit system receives approximately \$180,000 each year for the provision of Dial-A-Ride service and transit amenities. He indicated that \$130,000 pays for 80% of the Dial-A-Ride service and \$40,000 for shelter/benches. He also indicated that prior to receiving this funding, CyRide had paid 100% of the expenses from its operating budget. Unspent funds each year are carried over to the next year so that there is no risk of losing a portion of this funding if actual expenses are lower than predicted. Director Kyras indicated that if there was a federal funding shortfall, CyRide would cut back on shelters before it would affect the Heartland Senior Services contract. Trustee Madden questioned the new language on the timing of payment and suggested that language be included to indicate that it was based upon receipt of accurate reports and satisfactory service. Director Kyras indicated she would include this language in the final draft of the contract amendment.

Trustee Wacha made a motion to approve Amendment 1 to the "Contract for Transportation Services between Heartland Senior Services and the City of Ames: subject to Legal Counsel, HSS and Iowa DOT approval. Trustee Madden seconded. (Ayes: 5; Nays: 0.) Motion carried.

**FARE INCREASE/SERVICE CHANGE STUDY UPDATE:** Director Kyras explained that staff had prepared three pieces of information for the July Transit Board meeting regarding the fare increase/service change study: internal savings proposal, peer analysis and student portion of fares calculation. She indicated that in August, staff

would present options for fare increases and potential service changes based on input/information gathered to date.

She further explained the three topics for discussion at the meeting to achieve the transit board's goal of reducing expenses/increasing revenue by \$250,000 in a six-month period from January – June 2012.

- **Internal budget saving options** - Staff reviewed capital and operating expenses to determine where budget savings could be obtained.
- **Peer analysis** - Iowa and peer national systems comparing fares, services levels/efficiency and budget policies.
- **Student fare calculation** – To answer the question, “How does CyRide determine the percent of student fees that pays for fares vs. services,” staff developed a methodology based on fares generated before and after ISU student fare free.

Director Kyras explained that staff had examined both capital and operating budget line items to determine where savings could be generated. Eleven potential savings were presented to the transit board with the following four potential internal savings recommended by staff.

- **Delay purchase of an expansion support vehicle** - would save \$30,000
- **Reduce vehicle parts budget** – reduce parts budget due to decreasing age of fleet and new vehicles to be added to the fleet – would save \$40,700
- **Reduce vehicle mileage** – bring drivers in the office in-between pieces of work to reduce fuel usage – would save \$5,000
- **Reduce Public Education/Advertising** – reduce expenses to educate students/ public of the availability of CyRide service, especially to new students – would save \$5,500

The recommended potential savings totals \$81,200.

Additional expenses that could be considered would be to reduce travel; non city services such as snow removal; cleaning supplies; and to retune the light at Lincoln Way and Beach saving the need for one bus trip. The total potential savings from all possible reductions would be \$137,000.

Trustee Schainker requested additional information regarding the option to delay replacing a full-time driver. Director Kyras indicated that the savings was due to the elimination of benefits as the position would be replaced with 2 – 3 part-time drivers during the interim. She further indicated that delaying the replacement of this position, upon the retirement of a current employee in December 2011, would reduce the smaller number of full-time drivers that CyRide employed – 24 out of 120. She indicated that she believed it would reduce morale and place the burden of finding budget savings on the employees. Barbara Neal, CyRide's Operations Supervisor, confirmed that it was

primarily a morale issue. She further indicated the CyRide had a small number of full-time drivers due to the reduction of driving hours when service was cut back during the summer to meet lower ridership demand.

Trustee Anders asked if CyRide was currently paying overtime to its drivers. Director Kyras indicated that CyRide was and would always be paying overtime as it was a “normal” part of providing transit service. She indicated that it was needed to cover service when: drivers call in sick, quit and it takes two months or more to get someone hired and trained. She indicated that the level of overtime was the management issue.

CyRide paid \$60,000 in overtime last year and this year CyRide’s budget is \$25,000. She indicated that internal discussions had taken place to try to achieve this lower level.

Director Kyras asked for discussion or concurrence on the staff recommendation for internal savings. Trustee Schainker indicated that he understood the level that staff was recommending and that it represented the amount staff felt could be achieved without undesirable impacts, but that he believed CyRide should wait to make the decision on whether it was the right level of internal savings until fare and service options are developed. Director Kyras indicated that staff would assume this level of internal savings when developing the fare and service options; therefore, requiring approximately \$168,000 in additional savings.

**PEER ANALYSIS** - CyRide staff gathered information from 14 urban Iowa systems, smaller to larger, gathering the following information: population, total annual rides, riders per capita, fare structure, hours of service, frequency of service, passengers/hour, holiday service, and operating reserve policy vs. actual. The following recaps the presentation of findings/discussion with the board.

- **Fares** - CyRide’s fare is about average.
- **Hours of service** – CyRide provides more service than its Iowa peers overall, but when compared to Cambus in Iowa City is comparable with slightly more service on Saturday.
- **Frequency of buses:** 30-minutes is the most common. CyRide vs. Cambus - virtually the same, except Saturday and Sunday, CyRide offers more service. Trustee Madden was hesitant to compare Cambus to CyRide because it is only a piece of the service provided in this community and felt the three systems needed to be looked at together. Director Kyras acknowledged this difference and indicated that she believed the better comparison was with its national peers, which would be discussed next.
- **Passengers per hour** - Iowa City is first in efficiency; however, their service provides shuttle service only as opposed to shuttle/cross-town service provided by CyRide.
- **Holiday service** - CyRide operates on three holidays that no other transit system operates – Memorial Day, 4<sup>th</sup> of July and Labor Day. CyRide’s Transit Coordinator indicated that CyRide provides approximately 1,000 rides/day on holidays. Transit board members shared their desire to look at this for service reductions. Staff concurred.

- **Operating reserve** – There was not a consensus found; however, generally, most systems had a large dollar or percentage amount.

**NATIONAL SYSTEMS** - CyRide analyzed ten systems with these five criteria: university size, 2010 census population, city and university collaboration, ridership that exceeded two million, and climate.

Director Kyras presented the following findings with discussion by the board:

- **Population – Enrollment** - CyRide ranked 9<sup>th</sup> in population and 6<sup>th</sup> in enrollment – both in the middle to slightly lower
- **Annual rides** - CyRide ranked 6th highest generating ridership - in the middle
- **Rides Per Capita** - CyRide ranked 2nd
- **Fares** - comparable overall, however the \$35 monthly pass was higher than the average, which was \$25. Also 72% of the other systems had a lower monthly pass fare. CyRide’s \$1 cash fare was also the most common cash fare. Other systems offer more options for the K- 12 as well as several different passes (2-month passes, 3-month passes, annual)
- **Hours of service** – comparable to most of CyRide’s national peers with exception of Sunday. Seventy-three percent of the systems have fewer hours on Sunday.
- **Frequency of Service** - most systems were comparable Mon. – Fri., but offered slightly fewer hours on the weekend, particularly Sunday. Director Kyras explained that a 20 – 40 min interval between buses works for the size of Ames; compared to the peer systems in larger communities where it takes longer to travel across town.
- **Passengers/Hour** - CyRide is more efficient than the other systems.
- **Holidays** – The national peer systems also did not operate on Memorial Day, 4<sup>th</sup> of July or Labor Day.

Director Kyras directed board members attention to a summary chart (handout) that indicated opportunities for change: number of holidays it operates and the amount/ hours of service offered on the weekend. Additionally, it indicated that CyRide currently charged “average” fares within the industry. Director Kyras indicated that the Transit Board would need to determine if this is where Ames should be. Director Kyras will come back to the Transit Board next month with specific changes from what was heard from public meetings and the peer analysis and present options for the board’s consideration.

**STUDENT FARE METHODOLOGY** - The third analysis presented was a methodology to calculate the “fare” portion of ISU student’s fee contribution to CyRide. Director Kyras explained the method staff had developed, which included a calculation of the fares collected through the farebox before students paid for fare –free and after and applying this to the current year’s fee collection. She indicated that 23% of the fee revenue was attributed to “buying down” the fare. This percentage was then applied to the 2011-2012 GSB contribution and,

in today's dollars, \$719,542 represented student fares. She indicated that any potential change to CyRide's fare structure could be based on this number.

Trustee Vander Velden presented the option of using some of the GSB reserve to pay for any increases. Trustee Vander Velden asked for clarification on when the transit board would need the GSB's decision and when the fare gets set for the students. Director Kyras indicated that the current year's fees were set last year so he was correct that any increases affecting the current budget year would need to be secured from the GSB Trust Fund balance. Trustee Madden also indicated that the GSB Trust Fund request for the 2012-2013 year would be in September 2011. Currently, student fees are generating about \$300,000 more than needed for their share to operate service. Trustee Vander Velden expressed a desire to work with the GSB and GSB Fee Committee to determine options for use of the students' funds. Director Kyras indicated that she had previously spoken with the GSB President about meeting with the GSB Executive representatives and transit board representatives in August to discuss these issues.

A lengthy discussion amongst the transit board members followed with several thoughts/ suggestions to consider before the next transit board meeting.

- Trustee Madden shared his thoughts on the current level of ridership and where the growth had occurred. He indicated that as enrollment has continued to increase, it has contributed to higher ridership. He indicated that while fees had increased as well, that examining the number of students and its affect on additional services that have been added to carry the higher number of riders could be beneficial. He indicated that a majority of riders were using CyRide to get to campus. He further indicated that one-third of the students are in on-campus student housing; two-thirds are living in other locations that property owners are paying taxes on and collecting revenue to pay for this indicating that students were paying for service twice – fees and contributions to property taxes.
- Trustee Madden indicated that CyRide should keep shares equal for students and non-students. He used an example of raising the cash fare to \$1.25 for a non-ISU student. Further, he offered a different methodology to calculate the student portion of fares. He indicated that with a \$250,000 shortfall and 5.4 million rides, all riders would need to increase their contribution by 4.6 cents a ride. He indicated that raising fares an average of a nickel with GSB being approximately three-quarters of the riders would address the savings needed. He indicated that looking at the issue over a longer time period might require fares to increase a quarter. He also acknowledged staff's desire, based on public comments, to make the fare easy to "have at hand" when boarding the bus.
- Director Kyras indicated that the number of "student" riders was closer to 90% of the rides. She also indicated that any fare or service changes would need to ensure that low-income and minority customers were not impacted to a greater degree.



- Trustee Schainker asked for clarification on the magnitude of the savings needed. Director Kyras explained that the \$55,000 additional fuel expense in the 2010-2011 budget had been addressed with the additional flood funding from FEMA and FM Global. Therefore, the issue to be addressed was to resolve the 2011-2012 budget shortfall. Two unanticipated costs need to be addressed: \$200,000 in additional fuel costs and \$63,548 in property insurance.

The board members discussed the level of savings needed after internal cuts were made. After a lengthy discussion, it was decided that \$180,000 would be the target. The board members then discussed ways to generate this savings – GSB additional funding, fare increases, and concern about low-income individual’s ability to pay. Director Kyras then explained that this discussion could continue next month as staff presented specific fare and service options for consideration.

**DIRECTOR’S EVALUATION AND APPROVAL OF SALARY:** Trustee Schainker was asked by the Transit Board to coordinate the performance evaluation for the Director. The city evaluation system is used for this evaluation and he received comments from other Transit Board members. The completed form was sent to Director Kyras. Trustee Schainker expressed confidence in the Director using an excerpt from one of the transit board members. The past year the Director was asked to deal with a lot: the flood, rising fuel cost, garage expansion, the Intermodal Facility. Trustee Schainker explained that CyRide’s Director confronted these with confidence and the Transit Board feels fortunate to have Director Kyras lead CyRide.

Director Kyras acknowledged the CyRide staff and stated this would not have worked this year without their support – it was team effort.

Trustee Anders acknowledged the staff as well.

**TRANSIT DIRECTOR’S REPORT:**

- **Intermodal Facility** - is moving along well. One of the staff members who is a decision-maker for TIGER funding in the Secretary of Transportation’s office will be riding RAGBRAI and wants to stop when passing through Ames to have a tour of the construction site.
- **TIGER III Grant** – Notices came out – really no changes from the TIGER II requirements – little bit challenging with the proposal for \$8 million in remaining TIGER I funding to the DOT and minimum requirement of \$10 million for TIGER III. Still have not heard if CyRide will receive the \$8 million. Staff will work on preliminary budget and seek input later this fall.
- **Bus Roadeo Results** – CyRide bus drivers did well both at the state and nationally. Paul Klimesh placed 12<sup>th</sup> in the APTA International competition and 14<sup>th</sup> in the CTAA national competition. CyRide bus drivers placed first, second and seventh in the State Roadeo competition and proves our drivers are among the best in the nation.
- **S.16th Apartments** – two complexes are opening this fall – the other is in the process and opening in the fall 2013. In total, this provides 1,300 additional bedrooms. CyRide’s concern is immediate this fall – Grey route serving this area is only hourly and most

likely demand will exceed the capacity on this route, which will make the challenging budget situation worse when additional service is added. Management at the apartment complexes indicated they could not fund additional services and are instructing their tenants to bike, walk or drive their car to the Iowa State Center. CyRide's Transit Planner discussed the possibility of requesting grant funding for additional service on this route. Funding could be at 80% for the first year. The cost for new service is approximately \$180,000 for a 20-minute service level on this route to meet additional demands. The cost for extra buses is \$30,000 on existing service to address overcrowding issues. CyRide staff will evaluate ridership within the first few weeks of school and bring information back to the Transit Board in September. If the board would like to submit a grant at that time, it can be submitted based on actual experience this fall.

- **Property insurance** – FM Global notified the city that CyRide's property insurance would increase from \$6,500 included in the 2011-2012 budget to \$63,548. Additionally, the flood deductible increased from \$25,000 to \$500,000. The board discussed the possibility of FEMA assisting with a portion of the deductible versus the need for insurance to cover this cost. Director Kyras stated that she would do further research to see if CyRide would again be covered by FEMA and the cost of additional coverage to assist with the deductible.

**TIME AND PLACE OF NEXT MEETINGS:** August 25, 2011 at 5:00 p.m. at CyRide.

**ADJOURN:** Meeting adjourned at 7:03 p.m.

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Bob Anders, President

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Joanne Van Dyke, Recording Secretary

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** AAMPO Transit Representative Appointment

**BACKGROUND:** The Ames Area Metropolitan Planning Organization (AAMPO) is comprised of city, county, Iowa State University and Ames Transit Agency representatives for the purpose of directing transportation planning and expenditure of funds in the Ames urbanized area. CyRide has one voting seat on the Committee to represent the transit system's perspective on these issues. The AAMPO Committee meets prior to the City Council meetings on Tuesday evenings.

**INFORMATION:** The Transit Board's representative is currently Robert Anders, who has served in this role since August 2007 and has indicated a time conflict with the Tuesday evening committee meetings. Therefore, he has requested that the Transit Board consider other board member representation on this Committee.

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** Flood Insurance Coverage

**BACKGROUND:** At the July Transit Board meeting, board members were informed that CyRide's cost for property insurance had increased from \$6,500 per year to \$63,548 beginning July 1, 2011. Additionally, the flood insurance deductible, included in this insurance coverage, increased from \$25,000 to \$500,000. In response to these changes from FM Global, the city's property insurance carrier, transit board members requested additional information on the possibility of FEMA reimbursement for future losses not covered by insurance and the possibility of additional insurance to cover this larger loss exposure.

**INFORMATION:** Since the July meeting, the City of Ames' Risk Manager, David Eaton, has researched the possibility of securing additional insurance coverage to address the first \$500,000 of a flood loss. Mr. Eaton was able to secure a quote for \$500,000 coverage on the building plus an additional \$500,000 for its contents at an annual premium of \$1,457. The coverage would include a \$1,000 deductible on contents and another \$1,000 on the building. Mr. Eaton will be at the August board meeting to answer any specific questions you might have.

Mr. Eaton recently attended a seminar on the National Flood Insurance Program, where he gained valuable information regarding FEMA's operations, rating structure, qualifications criteria and coverage details. He was able to specifically ask the transit board's question from the July meeting regarding FEMA's policy on "paying twice for a flood loss on the same property". Mr. Eaton was directed to a specific federal act called the Stafford Act, which states the following:

*"No applicant for assistance under section 5172 of this title [42 U.S.C. § 5172] (relating to repair, restoration, and replacement of damaged facilities), section 5189 of this title [42 U.S.C. § 5189] (relating to simplified procedure), or section 3233 of this title [42 U.S.C. § 3233] section 209(c)(2) of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3149(c)(2)) may receive such assistance for any property or part thereof **for which the applicant has previously received assistance under this Act unless all insurance required pursuant to this section has been obtained and maintained with respect to such property.** The requirements of this subsection may not be waived under section 301. [P.L. 103-325, § 521]." *emphasis added**

As a result of this research, it is staff's finding that FEMA could not financially assist with another loss on CyRide's facility with the higher deductible established this year by FM Global. In response to this finding and CyRide's requirement to adequately insure federally-funded assets, staff will work with the City's Risk Manager to secure the additional coverage as described above. The end result will be flood coverage from two policies, with a combined maximum exposure of \$2,000.

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** State of Good Repair Bus Purchase

**BACKGROUND:** In 2010, CyRide was awarded a federal State of Good Repair (SGR), national discretionary grant for the purchase of ten buses. CyRide received 90% federal funding for these buses, requiring a 10% local match to be secured from CyRide’s capital budget. Through discussion with the transit board, it was decided to divide the procurement of these buses into two orders, in two different budget years, to minimize the impact on CyRide’s capital budget.

The transit board approved purchase of the first five SGR grant buses with Gillig Corp. (plus one state-funded bus) in December 2010. These buses are scheduled to be delivered between January – March 2012. At that same meeting, the Transit Board also approved a Letter of Intent to purchase the remaining five SGR funded buses with Gillig Corp. This Letter of Intent “held” CyRide’s place in the production line insuring quicker delivery of the buses, estimated for delivery in the fall 2012.

**INFORMATION:** Almost two months into the new budget year, CyRide is able to place the second portion of this bus order and complete the federal grant. All five buses can be purchased under the national bus procurement administered by the Akron Ohio transit system with CyRide named as a participant. CyRide originally had 50 bus options under this procurement, and has four remaining (past bus purchases and options transferred to other transit systems have used the other 46 options); therefore, these four options will be exercised for this bus procurement. Cedar Rapids was also named in this bid and will allow CyRide to use one of their options for the procurement of the last bus in this bus purchase. The grant application approved a price per bus of \$392,000, requiring up to \$39,200 per bus from CyRide’s local capital budget. The total price of the buses is as follows:

<u>Vehicles</u>	<u>Federal Dollars</u>	<u>Local Dollars</u>	<u>Total Dollars</u>
Five Buses - SGR	\$1,764,000	\$196,000	\$1,960,000

These buses are included in CyRide’s three-year capital financial projection and in the City of Ames Capital Improvement Plan.

**ALTERNATIVES:**

1. Approve a contract with Gillig Corporation for up to \$1,960,000 for the purchase of five 40’ buses.
2. Do not approve a contract for the purchase of buses.

**RECOMMENDATION:**

The Transit Director recommends approval of alternative #1 to purchase the remaining State of Good Repair buses. Local funding needed to complete this purchase has been programmed and the replacement of five buses, that are more than 15 years old, will reduce CyRide's operating expenses and improve its fuel efficiency in the short and long term.

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** Year End Budget Update

**INFORMATION:** The 2010-2011 budget year concluded on June 30, 2011. The attached operating, capital and GSB Trust Fund budgets reflect the final expenses, revenues and fund balances, prior to completion of the City of Ames audit.

**Operations Budget/GSB Trust Fund**

The following briefly recaps the 2010-2011 operating budget.

- Operating expenses were 1.0% lower than the amended budget.
  - Fixed Route expenses were +1.3% over budget.
    - This increase is due mainly to higher fuel costs, which were \$86,485 over budget
  - Dial-A-Ride expenses were -1.5% under budget.
    - This decrease is due to lower ridership (1,000 fewer rides) on this service
  - Administrative support was -3.4% under budget.
    - Lower administrative costs were achieved in the buildings and grounds area as projects were delayed and work directed toward clean up and repair of the flood damage.
- Operating revenues were 0.4% higher than the amended budget.
  - The largest factors contributing to this increase were:
    - MPO Reimbursements were 11% higher than budgeted
    - \$11,218 more collected from insurance companies as a result of accident claims from drivers colliding with CyRide buses
    - \$14,699 more from the sale of old buses when the 15 new buses were placed in service
    - \$11,898 more in revenue generated from the sale of advertising on the buses
- Closing operating balance increased .6% from the amended budget of \$599,766 to \$644,561, an increase of \$44,795, bringing the balance to 8.6% for the year, well below the board policy of 15%. Staff had anticipated the closing balance to be lower than 8% due to added fuel costs for the year, estimated at \$86,485 over budget. However, reconciliation of the flood claim with FM Global and the City's Risk Fund, which resulted in \$84,420 being transferred from operating to the capital budget, freed up operating funds, resulting in an increase in the closing balance.



- The GSB Trust fund ended the year with a balance of \$1,099,162. This balance is anticipated to increase to near \$1.5 million by the end of the 2011-2012 fiscal year due to increasing enrollment at ISU.

### **Capital Budget**

The following briefly recaps the 2010-2011 capital budget.

- The 2010-2011 amended to actual budget changed significantly due to the timing of bus purchases; planning studies; and the delay in buses, support vehicles and equipment; and building construction. Specifically, the following modifications occurred:
  - The purchase of 40' used buses was delayed in light of grants funded for new buses.
  - Building reconstruction projects and support equipment on the buses was delayed due to flood recovery efforts.
  - Expansion of the building for additional bus storage/maintenance has been delayed.
  - Purchase of a bus tracking system was delayed to complete a Request for Proposal process.
  - Delay of federal alternatives analysis study on the Orange Route
- The closing capital balance is \$1,479,503, or \$301,860 higher due mainly to unspent building and bus dollars.

### **Closing Balances**

- Overall, the three trust fund balances (operating, capital and GSB) increased by \$521,947 from a 2009 -2010 year-end balance of \$2,692,125 to \$3,214,072 in 2010-2011.
- The operating budget closing balance decreased by -\$211,887; while the other two closing balances increased by +\$301,860 (capital) and +\$431,974 (GSB).







**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** Fare increase/Service Change Study Update

**BACKGROUND:** In April, CyRide staff became aware of the significant impact that fuel would have on the 2010-2011 and 2011-2012 budgets (\$150,000 to \$250,000 budget deficit).

At that time, the Transit Board directed staff to begin looking at possible solutions to bring the budget in line with these additional expenses. It was determined that staff would prepare information that would capture \$250,000 in savings between January and June 2012. A public meeting was held in early June to gain input on the method to be used to study this issue and potential options. Since that meeting, staff has begun an analysis of internal costs, fares, and service efficiencies/modifications. Additionally, the Transit Board requested information on the dollars that would be needed by each local funding partner (City of Ames, ISU, and GSB) to eliminate the funding gap. At the June and July board meetings, staff presented the results of five studies completed as a part of this project:

- Public meeting results
- Public survey results
- Internal budget savings
- Peer analysis
- Methodology for calculating a fare increase impact on the student portion of CyRide funding

**INFORMATION:** After gaining input over the past several months, staff has developed the final three pieces of information needed to determine potential actions to eliminate the \$250,000 budget gap:

- Local Funding Partner Share Option
- Fare Increase Options
- Service Change Options

Each of these options are detailed below and are based on the internal budget savings recommended by staff at the July meeting totaling \$81,200 in savings. Therefore, the following options reflect the need to generate the final estimated budget gap of approximately \$170,000 - \$174,000.

**Local Funding Partner Share Option**

In determining how to divide the remaining \$70,000 - \$174,000 FY2011-2012 remaining deficit, one option identified by the Transit Board of Trustees is to each contribute additional dollars to eliminate the funding issue. The options identified in Table 2 are calculated based on the funding partner's current contribution to CyRide's operation, as identified in Table 1 on the next page.

**Table 1 – Current Local Funding Partner Shares**

<b>Local Funding Partner</b>	<b>Dollar Share</b>	<b>% Share</b>
Government of the Student Body	\$3,128,442	61%
City of Ames	\$1,376,656	27%
Iowa State University	\$599,880	12%
<b>Total</b>	<b>\$5,104,978</b>	<b>100%</b>

The above local shares were then applied to the various funding levels as identified in Table 2 below, with the highlighted row delineating the approximate dollars needed by each of CyRide’s funding partners to eliminate the anticipated deficit. Additional total deficits and share are illustrated so that the Transit Board can decide the appropriate level of contribution when considering fare and/or service modifications in conjunction with this option.

**Table 2 - Local Funding Partner Increase Option**

<b>Funding Partners</b>	<b>Ames</b>	<b>ISU</b>	<b>GSB</b>	<b>% Budget</b>
<b>Three-Party Funding Split</b>	<b>26.84%</b>	<b>11.77%</b>	<b>61.39%</b>	<b>Increase</b>
\$25,000	\$6,710	\$2,943	\$15,348	0.51%
\$50,000	\$13,420	\$5,885	\$30,695	1.02%
\$100,000	\$26,840	\$11,770	\$61,390	2.04%
\$150,000	\$40,260	\$17,655	\$92,085	3.06%
<b>\$170,000</b>	<b>\$45,628</b>	<b>\$20,009</b>	<b>\$104,363</b>	<b>3.50%</b>
\$200,000	\$53,680	\$23,540	\$122,780	4.08%

In summary, combining the internal budget savings with additional funding from the three local funding partners would require a 3.5% increase in the current local share of each to achieve the desired goal of \$250,000 (\$81,200 internal savings + \$170,000 additional local share).

**Fare Increase Option**

Based on Transit Board member comments from the July board meeting, staff developed an alternative method to determine the share of additional funding that would be needed from student fees if CyRide’s fare structure were increased. The following methodology was applied to the three scenarios described in this section of the report.

This methodology calculates the percentage of rides generated by students and applies this to the revenue/passenger that is needed to generate approximately \$170,000 (budget gap after internal savings are applied).

**Statistics:**

**Student Ridership:** 89.8% of CyRide’s total rides in 2010-2011 were generated by students (determined by number of free rides recorded by drivers)

**Revenue Per Ride Needed to Generate \$170,000:** \$0.31  
(5,447,289 rides /\$170,000)

**Annual Additional Student Revenue Generated:**  $\$.031 \times (5,447,289 \times .898) = \$151,642$

**Six-Month Additional Student Revenue Generated:**  $\$.031 \times (5,447,289 \times .898)/2 = \$75,821$

Additionally, staff has calculated, and included in each scenario, its best estimate of the ridership impact of a fare increase, which is a 5% reduction in the number of non-student rides.

Based on the above student revenue and estimates of fares generated by fare category, staff developed three fare modification scenarios for board consideration (see separately attached Tables 3 – 5). Each of these scenarios comply with federal Title VI, half fare for seniors and other funding policy requirements. The following briefly describes each scenario.

**Fare Scenario #1 (20-25% Across-The-Board Increase)** – Each of CyRide’s fares are increased a logical percentage between 20-25%. The end result is as follows in Table 6:

**Table 6  
Summary of Estimated Revenue Generated  
from Fare Scenario #1**

<b>Fare</b>	<b>Revenue Increase</b>	
	<b>Six Mo.</b>	<b>Annual</b>
<b>Non-ISU Revenue Generated (No Ridership Decline)</b>	\$32,977	\$68,999
<b>Non-ISU Revenue Generated (5% Ridership Decline)</b>	\$30,446	\$63,785
<b>ISU Student Revenue Increase (\$.031/ride)</b>	\$75,821	\$151,642
<b>Total Revenue Increase</b>	<b>\$106,267</b>	<b>\$215,427</b>

**Fare Scenario #2 (20-25% Across-The-Board Increase + New Fare Category)** - This change is the same as Fare Scenario #1, but also introduces a new unlimited-ride, reduced fare pass that could be used by Medicare **and Medicaid** eligible individuals, persons over 65 and persons with a disability. It does not include K-12, as there is no way to determine that the purchaser will be the user. The purpose of this new pass is to address the public’s concern about the impact that a fare increase would have on low-income individuals. This new pass will allow this segment of CyRide’s customers to more easily afford to use public transportation in Ames if fares increase. The following table summarizes the additional revenue generated by this scenario.

**Table 7**  
**Summary of Estimated Revenue Generated**  
**from Fare Scenario #2**

<b>Fare</b>	<b>Revenue Increase</b>	
	<b>Six Mo.</b>	<b>Annual</b>
<b>Non-ISU Revenue Generated (No Ridership Decline)</b>	\$38,977	\$77,499
<b>Non-ISU Revenue Generated (5% Ridership Decline)</b>	\$36,446	\$71,285
<b>ISU Student Revenue Increase (\$.031/ride)</b>	\$75,821	\$151,642
<b>Total Revenue Increase</b>	<b>\$112,267</b>	<b>\$222,927</b>

**Fare Scenario #3 (Pass Increase Only)** – This change would increase only pass fares under the premise that low-income individuals generally tend to purchase tickets or pay cash as it is more difficult to have a larger sum of money at one time to purchase passes. The following table summarizes the additional revenue generated by this scenario.

**Table 8**  
**Summary of Estimated Revenue Generated**  
**from Fare Scenario #3**

<b>Fare</b>	<b>Revenue Increase</b>	
	<b>Six Mo.</b>	<b>Annual</b>
<b>Non-ISU Revenue Generated (No Ridership Decline)</b>	\$11,655	\$26,355
<b>Non-ISU Revenue Generated (5% Ridership Decline)</b>	\$11,072	\$25,037
<b>ISU Student Revenue Increase (\$.031/rider)</b>	\$75,821	\$151,642
<b>Total Revenue Increase</b>	<b>\$86,893</b>	<b>\$176,679</b>

In summary, Scenario #2 generates the greatest additional revenue and addresses the public’s concerns about low-income individual’s ability to pay more to ride CyRide.

**Service Change Options**

This section is divided into two discussions. First, the efficiency of CyRide’s current service is analyzed based on the number of passengers per hour of service operated on each route to determine areas of CyRide service that could potentially be reduced. In the public survey and at the public meeting, CyRide’s customers indicated that services carrying fewer people were an area of service that was less important to them in light of the budget situation. Second, staff has developed thirteen potential service modifications as a result of the efficiency analysis, peer analysis and our customer’s input at the June meeting and through the survey.



## CyRide Route Efficiency

CyRide staff analyzed the efficiency of its route structure for three time periods: weekday (morning/afternoon, midday and evening) and weekend (morning, afternoon, evening). The efficiency was calculated based on the number of riders carried per hour service is operated. Routes that carried 50% or fewer rides/hour than the average route for that time period, was identified as a route that could potentially be included in the service reduction options. Tables 9 - 14 (attached separately) illustrate the efficiency of CyRide’s route structure.

In summary, staff found that the following routes fell below the 50% average passengers/hour criteria:

**Table 15  
Summary of Less Efficient Routes**

<b>Route</b>	<b>Route Passengers/Hour</b>	<b>Average Passengers/Hour</b>
<b>Weekday: Morning/Afternoon</b>		
Pink	1.7	51
Yellow	10.6	51
Purple	23.3	51
<b>Weekday: Midday</b>		
Aqua	4.5	60
<b>Weekday: Evening</b>		
Gold – Last Trip	16.4	38
<b>Weekend: Morning</b>		
None	N/A	18
<b>Weekend: Afternoon</b>		
Yellow	5.8	30
Green	13.75	30
Brown	14.1	30
<b>Weekend: Evening</b>		
Green	13.65	34
Brown	16.55	34
Silver	9.5	34

### Service Reduction Proposals

Based on public input regarding the importance of various aspects of CyRide service, the peer analysis and the above route efficiency analysis, staff identified thirteen service reduction proposals for consideration to address the 2011-2012 budget shortfall. Attached is a map illustrating CyRide’s routes. Detailed information and individual route maps will be provided at the Transit Board meeting. Each is briefly explained in the table on the next page.

**Table 16**  
**Route Reduction Proposals**

<b>Proposal #</b>	<b>Route</b>	<b>Description</b>	<b>Basis for Consideration</b>
1	#10 Pink	Eliminate entire route	Efficiency Analysis, Public Input
2	Holiday Service	Eliminate all routes on three holidays: Memorial Day, 4 <sup>th</sup> of July and Labor Day	Peer Analysis
3	#21 Cardinal	Reroute service one block north from Osborn to Pammel Drive	Staff proposal with lower impact
4	#8 Aqua	Eliminate route which operates from Memorial Day through Aug. 15	Efficiency Analysis
5	#22 Gold	Eliminate last trip of the day	Efficiency Analysis, Public Input
6	#2 Green	Eliminate all trips after 7 pm weeknights	Efficiency Analysis, Public Input
7	#6B Brown	Eliminate all trips after 6:30 pm	Efficiency Analysis, Public Input
8	#4 Yellow	Eliminate entire route on Saturday	Efficiency Analysis, Peer Analysis, Public Input
9	#2 Green	Eliminate entire route on Saturday	Efficiency Analysis, Peer Analysis, Public Input
10	#6 Brown	Eliminate entire route on Saturday	Efficiency Analysis, Peer Analysis, Public Input
11	#24 Silver	Eliminate route on Sunday evenings	Efficiency Analysis, Peer Analysis, Public Input
12	#2 Green	Eliminate entire route on Sunday	Efficiency Analysis, Peer Analysis, Public Input
13	#1 Red, #2 Green, #3 Blue	Eliminate first morning trips on Sunday	Efficiency Analysis, Peer Analysis, Public Input

The above proposals are included in a summary chart (Table 17) of the financial and ridership impacts of each, in addition to five different financial or impact scenarios totaling close to \$170,000, without going higher than this target number.

- **Financial – Based on:**
  - **Savings/Rider** - Greatest savings per rider lost
  - **Total Dollars Saved** – Highest amount of financial savings
- **Least Impact – Based on:**
  - **Transit Dependent** – Low-income, disabled or households without a car
  - **Students** – ISU student population

- **Total Ridership** – Lowest number of riders lost in total

**Table 17**  
**Service Reduction Scenarios**

Route Statistics			Prop #	Proposal Route	Scenarios				
Six Mo. Savings	Annual Savings	Annual Rider Loss			Fin. (6 Mo. Savings)		Least Impact On:		
					Savings /Rider Lost	Total \$ Saved	Transit Dependen t	Student	Tot. Rider.
\$10,669	\$21,337	5,322	2	<b>Holiday Service</b>	9	9	6	1	3
\$12,680	\$25,360	2,761	4	<b>Aqua</b>	2	8	7	2	5
\$8,230	\$16,460	2,019	1	<b>Pink</b>	3	10	8	3	4
\$13,911	\$27,822	3,485	8	<b>Yellow - Sat.</b>	4	7	9	4	6
\$24,158	\$48,316	4,539	3	<b>Cardinal</b>	1	4	2	13	9
\$15,946	\$31,892	5,590	10	<b>Brown - Sat.</b>	5	6	11	9	8
\$3,573	\$7,146	1,308	11	<b>Silver</b>	6	12	1	6	2
\$31,862	\$63,724	11,909	12	<b>Green - Sun.</b>	7	3	5	7	10
\$37,318	\$74,635	15,825	9	<b>Green- Sat.</b>	8	2	10	8	12
\$40,881	\$81,761	24,520	6	<b>Green - Weekday Eve.</b>	10	1	12	10	13
\$1,425	\$2,850	911	5	<b>Gold</b>	11	13	3	12	1
\$17,553	\$35,105	12,583	7	<b>Brown - Weekday Eve.</b>	12	5	13	11	11
\$6,465	\$12,930	4,692	13	<b>Red/Blue/Green n - Sun.</b>	13	11	4	5	7
<b>\$224,671</b>	<b>\$449,338</b>	<b>95,464</b>			<b>\$158,347</b>	<b>\$167,718</b>	<b>\$166,237</b>	<b>\$140,654</b>	<b>\$146,472</b>

**Technical Option**

Based on initial input from the public, the peer analysis, and CyRide’s efficiency analysis, staff has developed a Preliminary technical option, which could eliminate the \$250,000 budget gap in the current year. This technical option includes:

- Immediate implementation of the internal savings recommended by staff at the July 2011 board meeting of \$81,200.
- Implementation of fare increase scenario #2 on January 2, 2012 to increase fares 20-25% across-the-board, implement a new reduced fare pass option and extend reduced fares to Medicaid recipients.
- Postponement of major service reductions until at least the fall of 2012, with consideration of this action in conjunction with the 2012-2013 budget discussions. Staff believes that implementation of service reductions from January – June 2012 would severely impact customers in Ames in light of its record ridership and increasing enrollment at ISU.

The exception to this postponement could be the implementation of service reduction proposal #1 (Pink route), #2 (holiday service), #4 (Aqua route) or #11 (Silver route). One or more of these options could be considered for implementation in January 2012 based upon input from the public. These proposals represent the least efficient service.

The following table summarizes the financial savings and ridership impact of this option.

**Table 18  
Technical Option on Budget Actions**

<b>Proposal</b>	<b>Six-Month Impact</b>	<b>Annual Impact</b>	<b>Est. Annual Ridership Loss</b>
<b>Internal Budget Savings</b>	\$81,200	\$0	0
<b>Fare Increase Scenario #2 (Across-The-Board Increase and New Pass)</b>	\$112,267	\$222,927	27,781 (5% of non-students)
<b>Service Reduction Proposal #1, #2, #4 or #11 (Pink, Holiday Service, Aqua or Silver)</b>	\$8,000 - \$12,000	\$7,000 - \$25,000	1,308 – 5,322
<b>TOTAL</b>	<b>\$201,467 - \$205,467</b>	<b>\$229,927 - \$247,927</b>	<b>29,089 – 33,103</b>

While the above option does not capture the entire \$250,000 savings requested by the Transit Board from January to June 2012, it will allow CyRide to capture more than the desired amount over an 18 month period, allowing the closing balance to increase closer to the 12-15% desired level at the end of the 2012-2013 budget. It also allows for CyRide to continue its high level of service expected by the community, as well as, softened the impact of any future federal funding reductions. The service reduction proposal will be better defined for the September meeting after gaining input from the public meeting. Another modification to capture the entire \$250,000 goal would be to also increase the local funding partner shares by \$50,000, a 1.02% increase in local share.

**Next Steps**

The information provided in this board item is for discussion purposes only. CyRide will hold a public meeting on September 1, 2011 to gain input on the studies and technical option. That meeting is scheduled as follows:

CyRide Fare Increase/Service Reduction Meeting  
Thursday, September 1, 2011  
6:30 pm  
City Hall - Council Chambers

Staff will present discussion from the public meeting and other input received, at the September Transit Board Meeting. The Transit Board will need to consider final action on this issue at the September meeting for implementation on January 2, 2012.

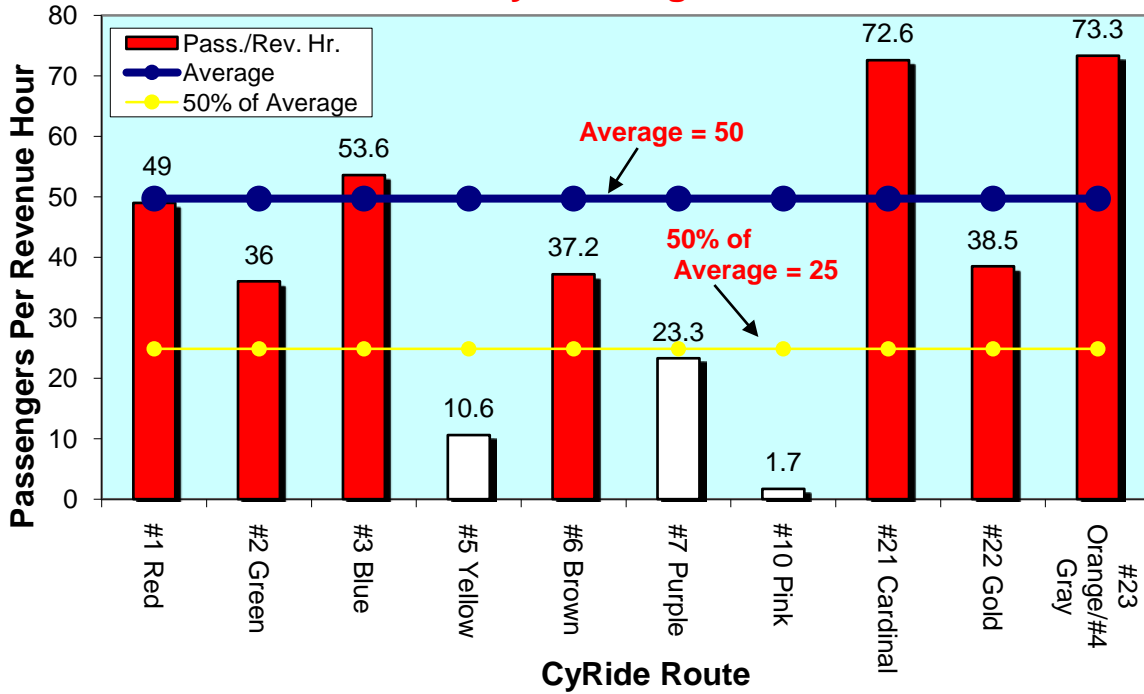




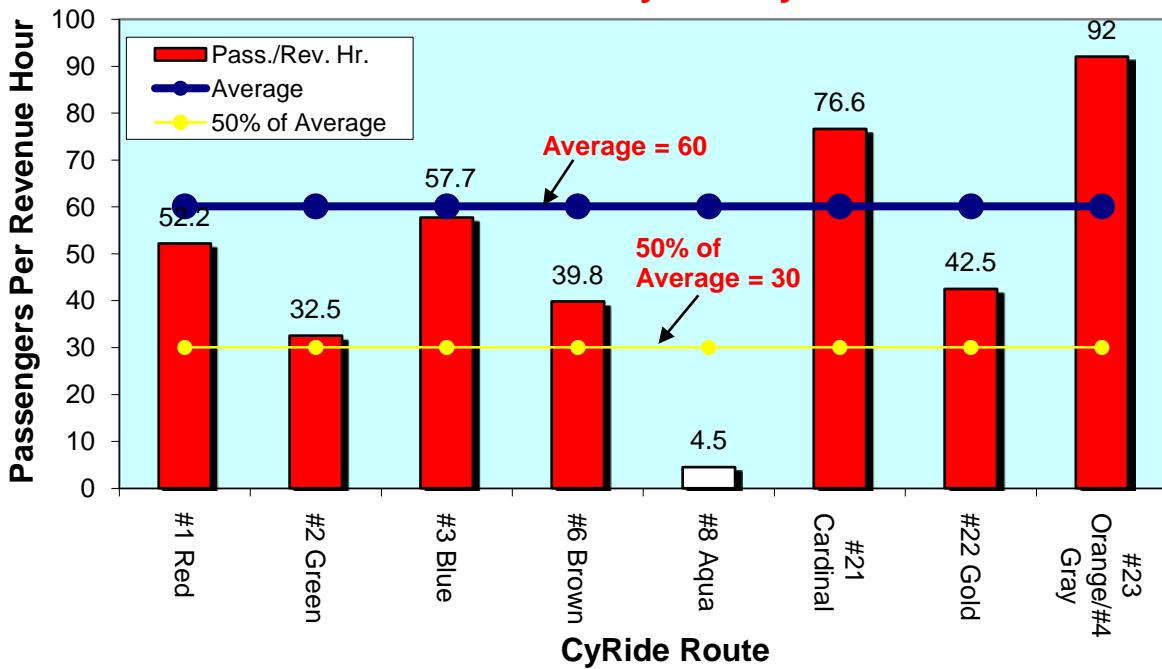




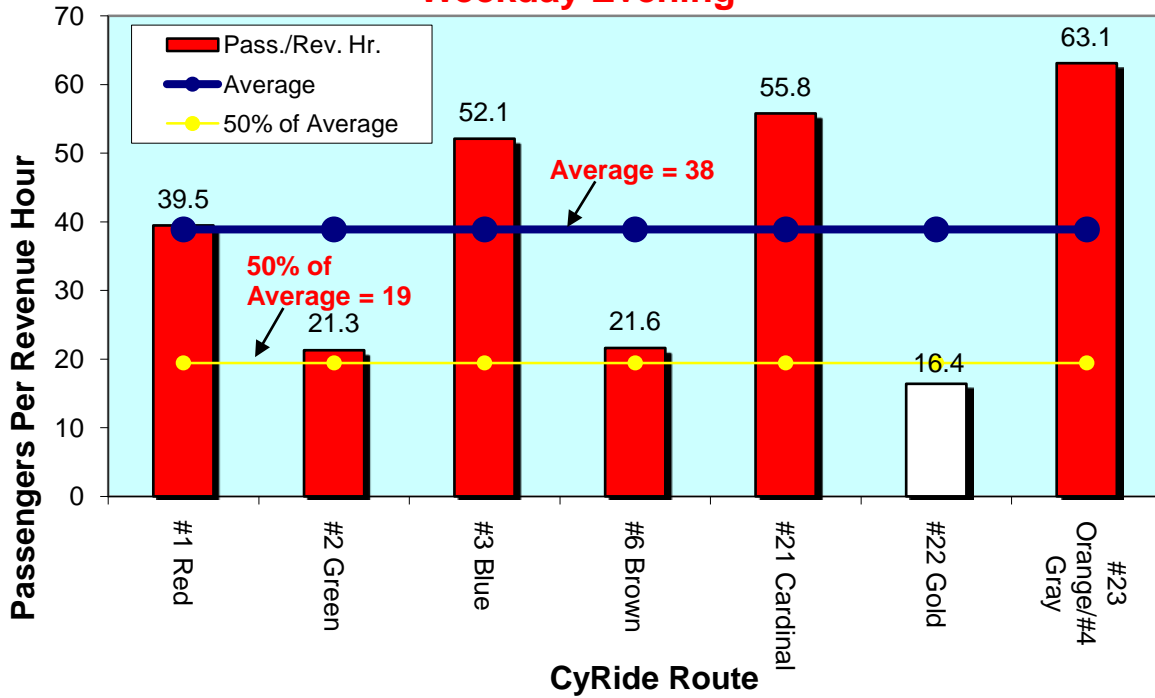
**Table 9**  
**CyRide Efficiency Analysis**  
**Weekday Morning/Afternoon**



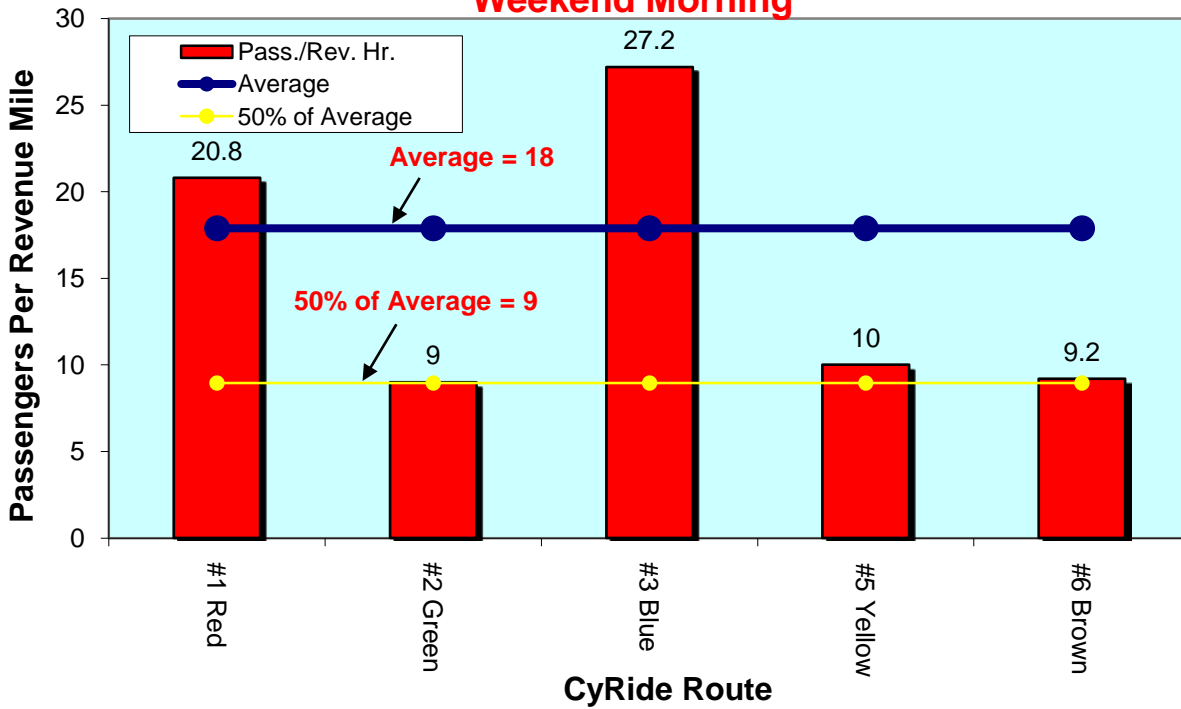
**Table 10**  
**CyRide Efficiency Analysis**  
**Weekday Midday**



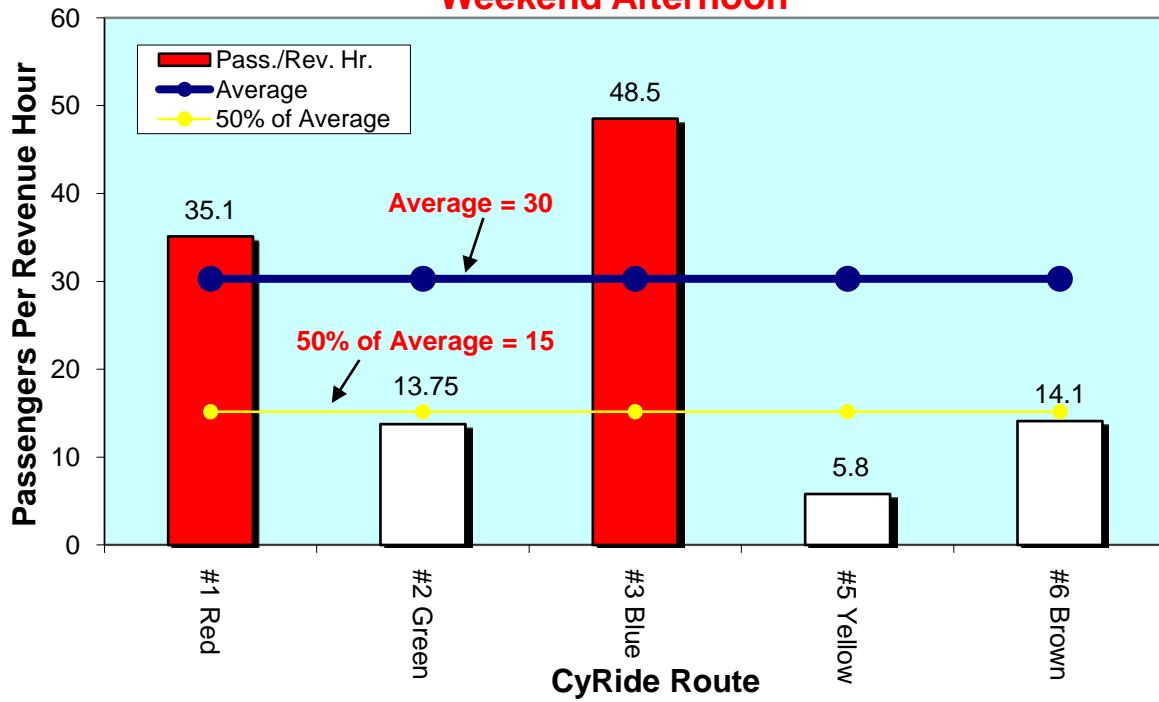
**Table 11**  
**CyRide Efficiency Analysis**  
**Weekday Evening**



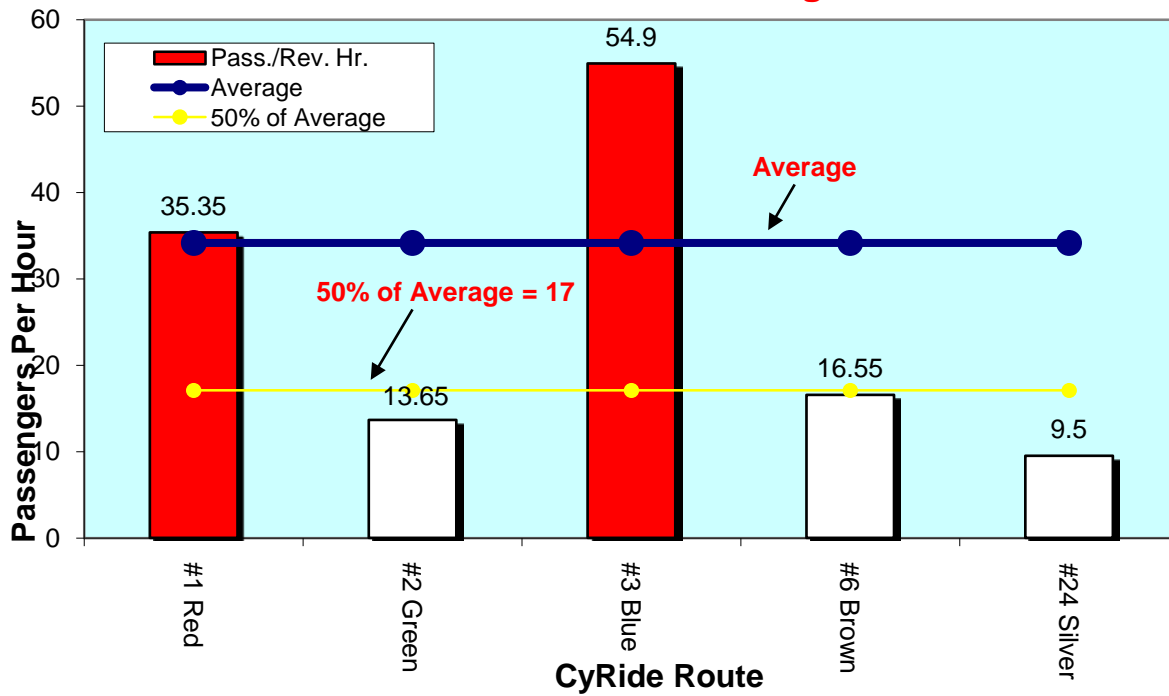
**Table 12**  
**CyRide Efficiency Analysis**  
**Weekend Morning**



**Table 13**  
**CyRide Efficiency Analysis**  
**Weekend Afternoon**



**Table 14**  
**CyRide Efficiency Analysis**  
**Weekend Evening**





**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** Heartland Senior Services Update

**BACKGROUND:** On August 11, 2011, CyRide and the City of Ames received the attached letter from Heartland Senior Services (HSS) indicating their desire to terminate the Dial-A-Ride contract between the two organizations on August 31, 2011. CyRide's Director responded to this letter in discussions with the Heartland Senior Services Interim Director and with the attached letter indicating a desire for a meeting to discuss the issues and determine if a solution could be identified. CyRide currently has a five-year contract with HSS, with annual renewals. The contract was approved in June 2010 and renewed by the City Council in July 2011. CyRide has entered into contracts with HSS since 2003-2004 for this service. In discussions with the City of Ames legal counsel, there is contract language in two sections of the contract to address termination of the contract (attached). Section A.2 addresses termination prior to the beginning of the contract and Section I.1 addresses termination during the contract period. HSS believes that Section A.2 allows their organization to terminate the contract since they have not formally approved the 2011-2012 rate increase and have indicated that this rate will not cover their expenses. In discussions with the city's legal counsel, he has indicated that Section A.2 could be interpreted in this manner; however, it was not the intent of the language, nor does it adhere to past practices where no action by the HSS Board of Directors has been implemented to enter into the annual renewals.

**INFORMATION:** On August 17, a meeting was held between CyRide's Director, a City of Ames Assistant City Manager, Sheila Lundt, and two HSS representatives, the Interim Director and Board of Directors' President. The discussion at this meeting centered around four topics:

- **Accounting/Expenses** - Accounting of transportation expenses
- **Funding/Sources** - Funding sources and eligibility of clients/trips under each source of revenue
- **Economies of Scale** - Efficiencies created by coordination of services under the funding sources
- **Next Steps/Timing** - Next steps and timing needed to accomplish an agreement

The discussion at this meeting of each topic is briefly summarized below.

**Accounting/Expenses**

HSS provided meeting participants with the basis for their statement that the Dial-A-Ride contract last year did not provide adequate funding to cover expenses incurred under the contract (deficit of \$17,173.28).

Their expenses are based on the premise that CyRide participate in 14% of their indirect costs. Additionally, that the contracted rate of \$11.15/trip during the weekday did not cover the costs and that they believe the actual cost should be \$17.10 per trip. They also indicated that the \$37.50 per hour for evening and weekend trips did not cover their expenses as they were paying overtime during these times. Under the contract that started on July 1<sup>st</sup>, the contracted rates increased 4% to \$11.60 per weekday trip and \$39.00 per hour plus a fuel surcharge (currently 4%). At the end of the discussion, all participants agreed that a better method to determine the actual expenses incurred under the contract would take additional work to determine. Additionally, there was a desire to separate the cost per trip for service within Ames; within the county, but outside the city (under a contract with HIRTA); and for service to Iowa City.

### **Funding Sources**

HSS received funding to provide transportation services under three contracts with various eligibility, reimbursement, and policies under each contract. The following briefly summarizes these contracts.

**HIRTA** – For service beginning and/or ending in rural Story County, funded through federal programs for the elderly

**ASSET Program** – Story County program funded by five agencies: City of Ames, Story County, GSB, United Way, and State Dept. of Human Services, for any transportation services provided within the City of Ames

**CyRide (Dial-A-Ride)** – ADA required service for disabled individuals within CyRide’s service area (generally the City of Ames)

Discussion at the meeting centered on how the funds were currently being used to provide service under each of these contracts and whether funds were being co-mingled appropriately under the guidelines as riders were co-mingled on the buses. It was also discussed that since ASSET funding was eligible for any trips within the City of Ames, that it could be used to fund any possible deficits with the Dial-A-Ride contract.

### **Economies of Scale**

The group discussed the original purpose of the Dial-A-Ride contract, that it allowed for greater efficiencies and reduced taxpayer dollars in the provision of transportation services provided in the Ames area. For example, a HIRTA client traveling from Zearing to Ames could be combined on the same bus with a Dial-A-Ride customer in Ames, both traveling to a medical appointment at Mary Greely Hospital. The expense for this trip would be virtually the same; however, HSS would collect revenue from two sources for this service. Additionally, CyRide was paying for a portion of HSS administrative costs allowing for a lower overall cost to all parties. The group also discussed that the initial impact of this contract was to bring additional revenues into HSS and to create better transportation efficiencies.

### **Next Steps/Timing**

After a lengthy discussion about the above topics, the group focused on the future direction of Dial-A-Ride services within the city and a process to determine the outcome of the Dial-A-Ride contract. To summarize, the following steps were identified.

- **Agreement on the Expenses** – Develop an accounting methodology that all parties can agree upon and that divides the cost per trip/hour into three categories: service within Ames; service within Story County, but outside the city limits; and service to Iowa City.
- **Interim Contract** – If agreement on the actual expenses can be accomplished and it is more than the current contract, enter into an interim contract with HSS for a period beginning July 1, 2011 through a future date to be determined where a Request For Proposal could be completed.
- **Request For Proposal for Dial-A-Ride Services** – If the originally agreed upon rate for 2011-2012 needs to be modified, the previous Request For Proposal for Dial-A-Ride service is no longer valid. CyRide would need to rebid the service to provide open competition. The exact date that the RFP process could be accomplished is unknown at this time and is based upon the timing needed to accomplish agreement on the actual contract expenses.

### **Implications of Contract Termination**

If CyRide were to directly operate this service once again, the following impacts on staffing, capital and operations would occur:

- **Capital (Vehicles)** – CyRide currently leases one minibus to HSS for Dial-A-Ride service. This vehicle would return to CyRide; however, 3-4 minibuses would be needed for daily operation of the service. In the short-term, CyRide could place large vehicles on fixed-route services where minibuses currently operate, and through use of a spare bus, have enough buses for daily operation. The consequence of this modification would be that CyRide would have no spare vehicles to place in service when repairs or preventive maintenance on a minibus was needed. In the long-term, CyRide would need to purchase three additional buses.
- **Capital (Bus Storage)** – CyRide is currently parking buses outside and this would require three additional buses to be parked outside. When the facility is expanded, the new addition would be full from the first day of operation from it.
- **Operations** – CyRide would need to hire six additional drivers and two, three-quarter time dispatchers.
- **Equipment** – CyRide would need to install additional phones, computers and possibly software to schedule and dispatch the trips.
- **Funding Source** - CyRide currently funds Dial-A-Ride with 80% federal Section 5310 funding and 20% through CyRide's operating budget. The Section 5310 funding can only be used for this service if it is contracted out. If CyRide is no longer able to contract service and directly-operates this service, 100% of the funding will need to be secured through its operating budget.

In total, the financial impact for the above implications could be as high as an additional \$250,000 in operating costs plus additional long-term costs for the purchase of minibuses.

Staff is requesting Transit Board direction on continuing negotiations with HSS and the next steps identified in this write-up. In discussion with HSS, they have indicated that they would be willing to continue service through September 30, 2011 if the Transit Board of Trustees is agreeable to the above next steps.

**ALTERNATIVES:**

1. Direct staff to continue discussions with Heartland Senior Services to identify actual 2011-2012 expenses for the provision of Dial-A-Ride services and negotiate an interim contract for consideration by the Transit Board of Trustees at the September Board meeting if the agreed upon rate is different than the current contract rate and, if there is mutual agreement on expenses/cost per trip/hour.
2. Direct staff to continue discussions with Heartland Senior Services and report back to the Transit Board at the September meeting.
3. Accept termination of the Heartland Senior Services contract.

**RECOMMENDATION:**

The Transit Director recommends approval of Alternative #1 to seek solutions to Heartland Senior Services contract concerns and begin discussion on an interim contract if needed. This will allow a seamless Dial-A-Ride service for Ames customers and potentially alleviate additional budget, facility, and staffing impacts. CyRide staff has been pleased with the operation of this service by Heartland Senior Services to date as evidenced by few customer complaints, quick resolution of issues and receipt of reports in a timely manner.







**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** August 25, 2011

**SUBJECT:** Quarterly Operations Report

**INFORMATION:** The following information highlights significant variations or important performance benchmarks from the fourth quarter of the 2010/11 fiscal year (April - June 2011) and well as year-to-date statistics.

**System-Wide Trends –**

- Ridership for the quarter was +3.8% higher and slightly higher for the year at +1.3%.
- Farebox revenue is -1.4% lower for the fourth quarter, which reduces this revenue year-to-date (-0.6%), a change from the first part of the year where revenue was increasing.
- Expenses per passenger, per mile and per hour are higher for the quarter and year-to-date. This is attributed to increased costs (fuel), with fairly stable ridership.

**Maintenance Trends –**

- The number of bus interiors that have been cleaned this year and quarter are lower (-1.5% and -21.4%, respectively) due to a position reduction in this area during the 2010/11 budget year. CyRide has supplemented these duties by having drivers clean the bus interiors during the break times. A major campaign was implemented just prior to school to ensure that the interiors are ready for this fall.
- Mechanical problems decreased-34.8% for the quarter, ending the year just slightly better than the previous year (-0.8%).
- Gas miles driven are higher for the quarter and year-to-date as six gas-powered minibuses buses replaced diesel vehicles last fall (+168.7% and +319.8% respectively). Diesel miles have declined slightly.
- Maintenance expenses are higher (+11.7% year-to-date) mainly due to the fuel line item, which is significantly higher due to increased utilization and cost per gallon.

**Fixed-Route/Operations Trends –**

- The total number of passenger comments is significantly lower, down -6.9% for the quarter and -16.0% year-to-date, with the number of passengers carried per comment significantly higher.

- Preventable accidents decreased -10.0% for the quarter and are -17.1% lower year-to-date. The dollar damage to buses caused by CyRide is significantly lower for the quarter (-20.0%), but higher year-to-date due to several larger loss accidents in the bus garage (3) and on campus near a construction site (1) that occurred during the second quarter.
- The revenue/expense ratio has decreased for the quarter and year, -6.3% and -8.1% respectively. This change is due mainly to the cost of fuel.
- Operations and total expenses are higher (+5.7% and +6.7%, respectively) for the quarter and year-to-date due to the addition of the Pink Route and additional buses that have been added to accommodate higher ridership.

#### **Dial-A-Ride Trends –**

- Dial-A-Ride ridership is slightly higher for the quarter (+1.6%), but lower year-to-date (-6.6%). Lower ridership in the first two quarters led this to ridership level for the year.
- Lower year-to-date ridership affects farebox revenue as well as the miles driven.

#### **Moonlight Express Trends –**

- Moonlight Express ridership is higher for the quarter (+13.4%) and higher for the year with a +3.7% ridership increase. This past year was the highest Moonlight Express ridership ever for CyRide.
- This higher ridership has decreased the expenses per passenger carried by -18.8% for the quarter and -12.5% for the fiscal year.











# Transit Director's Report

## August 2011

### 1. Intermodal Facility Construction Update

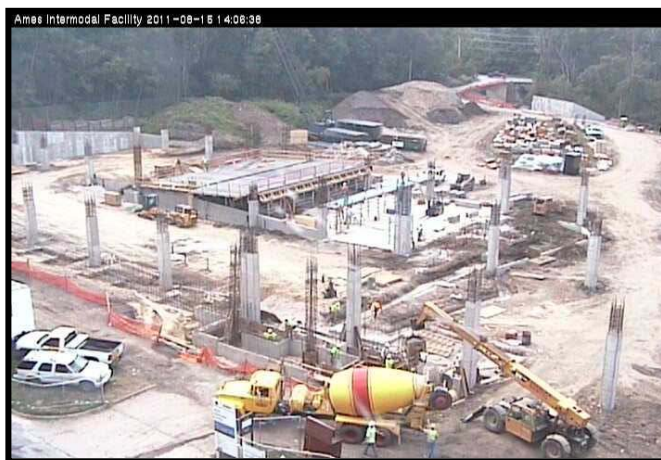
Weitz Company has completed the following activities during the month of July 2011.

- Retaining wall footings at west entrance are complete.
- Retaining wall pours have started.
- Foundations complete except for terminal area.
- All columns have been poured except for seven.
- First concrete slab-on-grade poured.

During the month of August 2011, the following work is anticipated:

- Continue pouring west entrance retaining wall.
- Begin pouring walls on "C" grid line.
- Pour remaining seven columns.
- Start footing/foundations in terminal area.
- Pour slab-on-grade paving in terminal area.
- Install shoring for first deck pour.

The picture to the right illustrates the project's progress as of August 17, 2011, which is progressing on schedule for completion in June. The Federal Transit Administration's monthly progress report is available upon request.



This last month the US Department of Transportation required two additional reports on TIGER projects: Quarterly Report and Annual Report. CyRide staff completed these reports, which are available upon request, and will submit future reports as required.

### 2. Triennial Review Results

On August 10-11, 2011, the Federal Transit Administration's (FTA's) contractor reviewed CyRide's transit program to determine its compliance with 24 federal regulation categories and hundreds of individual requirements within these categories. At the completion of the review, the contractor indicated that CyRide operated a very good program finding three minor "deficiencies" in its program. These are as follows on the next page.

<b>Finding</b>	<b>Explanation</b>	<b>Corrective Action/ Completed</b>
<b>Disadvantaged Business Enterprise</b> – Late 2010 goal and public participation process	CyRide missed FTA’s goal by 12 days in 2010 and began the public participation process late. This was at a time when staff was preparing multiple grant applications (TIGGER, TIGER, SGR), while completing all other federal and state requirements. This is the first time CyRide has missed a deadline.	CyRide staff have placed reminders on calendars and revised the DBE process as requested. <b>Completed 8/12/11</b>
<b>ADA</b> – CyRide has a Dial-A-Ride policy that states it can charge \$5 if a customer does not show for a reservation. CyRide is not allowed to charge for this reason.	CyRide publishes this fare in its brochure, but has never charged a customer for this situation.	This fare has been removed from the fare structure on the Dial-A-Ride brochure. <b>Completed 8/11/11</b>
<b>Debarment and Suspension</b> – CyRide must <b>prove</b> that bidders are not on the federal list of debarred or suspended contractors.	CyRide’s procurement records do not include proof that it has checked the FTA’s website for debarred and suspended firms. It was believed that submission of a form by the bidders stating this fact fulfilled this requirement.	For all future procurements, staff will take a screen print of the website to prove that the firms are not included on this website. <b>Completed 8/12/11</b>

It is CyRide’s belief that all findings have been addressed. FTA notified CyRide on August 19<sup>th</sup> that they concurred and that the review will be closed when they submit a final report in 30 days.

### 3. Bike Rack Usage

CyRide has recently experienced significant increased usage of its bus bike racks. The chart on the next page illustrates this usage for the first seven months of 2011 versus 2010.

<b>Month</b>	<b>2011</b>	<b>2010</b>	<b>Difference</b>
<b>January</b>	134	22	509%
<b>February</b>	160	63	154%
<b>March</b>	297	232	28%
<b>April</b>	376	322	17%
<b>May</b>	426	248	72%
<b>June</b>	512	335	53%
<b>July</b>	552	482	15%
<b>Total</b>	<b>2,457</b>	<b>1,704</b>	<b>44%</b>

# September 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				<b>1</b> Public Hearing CC 6:30pm	<b>2</b>	<b>3</b> UNI FB
<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b> IOWA FB
<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>
<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>
<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	

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# October 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					