

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

October 4, 2011

The Ames Transit Agency Board of Trustees met on October 4, 2011 in CyRide's Conference Room. President Anders called the meeting to order at 5:00 p.m. Trustees in attendance were Anders, Schinker, Madden, Fox, and Vander Velden. Absent: Trustee Wacha.

APPROVAL OF MINUTES: Trustee Madden made a motion to approve the minutes from the August 25, 2011 Ames Transit Agency Board of Trustees Meeting. Trustee Vander Velden seconded. (Ayes: Five, Nays: 0.) Motion carried.

PUBLIC COMMENTS: President Anders welcomed the public to speak on topics not on the agenda at that time, and for topics listed on the agenda, asked the public to comment on those specific items when topics were discussed.

FY2011 TIGER APPLICATION FOR INTERMODAL FACILITY – PHASE II: Director Kyras explained that CyRide has submitted numerous TIGER applications for funding of the Intermodal Facility over the past several years, but has yet to fully fund the entire facility. She stated that the latest application will be submitted at the end of October 2011. She indicated that she had attached the application budget, which lists the project elements with the cost for each of the line items. In order to meet the \$10 million federal share requirement, the project team added three new pieces to the grant application as follows:

- Grant administration, identifying CyRide's in-house costs of \$50,000.
- Creek landscaping/beautification, stabilizing College Creek throughout the site for \$210,000.
- Pedestrian corridor, connecting the SW Athletic Field to the Intermodal Facility and the newly renovated State Gym/Beyer Hall area for \$115,000.

With this budget, a local share shortfall of \$44,250 resulted. Discussions between the City and ISU resulted in an agreement that if the project was awarded federal dollars, each entity would provide half of the funding shortfall, \$22,125 each. To move forward with this grant, Director Kyras indicated that the application would need to include an Authorizing Resolution from the Transit Board of Trustees supporting the TIGER grant. She indicated the grant included the following major components: construction of an additional parking level on the currently being-built structure as well as a new structure totaling 339 new parking spaces, a bus for CyRide, a bike/pedestrian trail extension through the Arboretum and a pedestrian walkway from the SW Athletic Complex to Lincoln Way along Sheldon Ave.

Trustee Madden made a motion to approve the Authorizing Resolution supporting the TIGER grant request for construction of the Intermodal Facility – Phase II. Motion seconded by Trustee Vander Velden. (Ayes: Five; Nays: 0). Motion carried.

Director Kyras informed the Transit Board that letters of support were requested, and are being received, to also be included in the application.

HEARTLAND SENIOR SERVICES 2011-2012 CONTRACT AMENDMENT: Director Kyras discussed the preceding two month's conversations and resulting tentative agreement between CyRide and Heartland Senior Services for Dial-A-Ride service in Ames. She provided the Transit Board with the history of the issue beginning with the letter CyRide had received from Heartland Senior Services in mid-August with concern about the revenues generated under the contract. She indicated an initial termination date of August 30, 2011 had been given to CyRide, which was later extended to September 30 and then to October 30, 2011.

The latest information received from Heartland Senior Services was a letter from the independent auditor, Houston & Seeman P.C. providing a breakdown for costs attributed to the number of rides provided under the contract, which, with their calculation, indicated a small loss for FY2011. The Director shared CyRide's concern with the methodology used by the audit firm to arrive at the cost per passenger for each category: Dial-A-Ride, Iowa City, and route trips. She indicated a variation had been presented at the meeting which, used the auditor's methodology for indirect costs and a cost per mile or hour for direct costs. She indicated that this methodology provided for longer trips to generate more revenue to cover the higher costs of these trips and the opposite for shorter trips. She indicated that the auditor had agreed that this was a viable methodology.

Another concern from the auditor's report was overhead previously expensed to Jasper County when Heartland Senior Services began transportation in Jasper County under the HIRTA contract. This contract was cancelled in September 2011 and overhead expenses from this contract were moved to the remaining contracts, Dial-A-Ride, Iowa City and Route Transportation. The problem with this reallocation, was that when Heartland Senior Services had started service in Jasper County several years ago, CyRide had never received credit and continued to pay the higher overhead costs. She indicated that they would be paying twice for the overhead costs under this scenario. She indicated that the only charge CyRide collectively believes should be modified is the fuel surcharge cost, which after CyRide staff's review, the additional revenue under this surcharge was not covering all of the additional expenses. She indicated that CyRide staff proposed a new surcharge rate that would capture the fuel expenses as the price increases. If this new rate is established effective July 1, 2011, CyRide would owe Heartland Senior Service an additional \$228.01 for July and August 2011.

Director Kyras explained that an additional option, Option #5, was offered for action by the Transit Board, which would retroactively establish this rate beginning July 1, 2010 when the new contract became effective. The additional cost would total approximately another \$1,700. Director Kyras indicated that this option fairly compensates Heartland Senior Services for rising costs due to fuel prices.

Trustee Schainker asked which option staff believes should be approved. Director Kyras indicated that she was comfortable with Option 5 and felt this fairly compensates them for the Dial-A-Ride service. Tom Davenport, CyRide Transit Coordinator, indicated that 80% of this additional cost would be secured through federal grants.

Director Kyras reported Heartland Senior Services had suggested ending the current contact with CyRide June 30, 2012. In response to this request, CyRide will prepare a Request for Service proposal for distribution in January 2012. CyRide has had informal conversations with HIRTA and Boone County Transportation and both organizations have indicated an interest in providing CyRide's Dial-A-Ride service.

Transit Board members questioned the additional payment of \$1,700. Staff assured the Transit Board that \$1,700 would cover their additional costs and that CyRide would be reimbursed 80% federal money. Trustee Madden questioned the expenses for premises, janitorial, and building costs. CyRide staff indicated that these were figures provided by the auditing firm, and that they should be modified based on CyRide's previously discussed methodology. Director Kyras again reiterated that all parties had agreed that CyRide's rates were covering costs, except for the fuel surcharge as suggested by staff. She indicated that the cost per ride was around \$15 per ride, which totaled \$135,000 for FY2011, and CyRide had paid \$142,000. Director Kyras felt the contract to this point had been a "win win" situation for the parties and the recent discussion had been beneficial in defining a future direction for this service. She indicated that it was Heartland's decision to consider contracting with another agency for Dial-A-Ride service next year.

Trustee Madden made a motion to approve Alternative #5 approving the amendment to the Dial-A-Ride contract to approve the fuel surcharge rate retroactively back to July 1, 2010. Motion seconded by Trustee Schainker. (Ayes: Five; Nays: 0.) Motion carried.

FARE INCREASE/SERVICE CHANGE STUDY UPDATE: Director Kyras summarized the four, previous transit board meetings where the fare increase/service change study was discussed. She indicated that during the August meeting, the transit board had two additional pieces of information they asked staff to complete. One was a two-year revenue and expense pro forma identifying the effect that a fare increase and minor service change would have on the closing balance and local contributions over the next two years. She indicated that staff had prepared this pro forma including the internal savings, incorporating the Fare Increase B scenario, for a 20% - 25% across the board increase, and service changes of \$24,000. Second request was for a recap of the comments from the September 1, 2011 public meeting, as well as e-mail, telephone and other opinions. She indicated that staff also included a formal staff recommendation for Transit Board consideration.

She started with the comments from the public meeting indicating that September 1 was the last public meeting and that four of the six board members were able to be present. A summary of the meeting's comments; email and phone comments; and letters from ACPC Child Care, AMOS, and Bob Bourne were included. Summarizing the information received, most participants indicated a desire for CyRide to keep the current level of service and increase fares, if needed to resolve the budget issue.

Director Kyras indicated that based on the public comments received and the technical analysis completed over the summer, that CyRide staff recommended implementing the internal savings

projects and Fare Increase B, which would recover \$193,467 between January and June 2012, recovering less than the \$250,000 budget deficit. She then indicated that an additional \$24,267 in minor service reductions could be implemented in 2012-2013 budget year to recover a greater share of the deficit. She recapped this recommendation for the Transit board:

- Internal budget savings of \$81,200
- Implement fare increase Scenario B, increasing all fares 20 – 25%, adding a reduced fare pass option for Medicare and Medicaid recipients, persons over 65 and persons with a disability, including current Medicaid recipients.
- Additional GSB funding would be required to match the pass/cash fare increase. Their share would be \$75,821 from January through June 2012, and \$151,642 for the 2012-2013 funding year. These amounts could come from the Trust Fund that has a balance of \$1,099,962.
- Additional revenue of \$24,267 could be secured by eliminating Holiday service (Memorial Day, 4th of July and Labor Day) and last trip on Gold route.

The two-year pro forma revisits the expenses this year to adjust for current and anticipated revenues. It also estimated the 2012-2013 expenses and revenues to determine the level of local contribution from each of the three funding partners, the amount that can be transferred to the capital budget for local share as well as the closing operating balance. She indicated that the closing operating balance at the end of the 2011-2012 budget year would be 9.4%, higher than the 8.6% anticipated, but lower than the board desired level of 15%. She also indicated that the amount transferred to the capital program would remain as planned at \$239,812. The 2012-2013 budget year would require a 7% increase from the three funders, leaving a transfer balance of \$331,437 and 9% closing balance. Trustee Schainker confirmed that the transfer balances were lower for the current and next year's than in past years. Director Kyras confirmed this indicating that the average was \$600,000 to \$700,000 in previous years.

Implementing Fare Scenario B and internal savings only in the remainder of the 2011-2012 budget year, requires a 7% increase from the three funding partners. She indicated that the revenues in 2012-2013 pro forma anticipate a 10% decrease in federal funding, and that fuel expenses will average \$3.50 a gallon. She indicated that the average for July and August 2011 was \$3.16 a gallon. She indicated that City of Ames internal expenses for services provided by city staff such as legal services and human resources reflects a 2.5% increase. She indicated this was not a wage increase, but the cost for the departments to provide services to CyRide. Tom Davenport emphasized, the two-year pro forma was not a budget, but an estimation and hoped that the local contribution needed would be lower when the budget is completed.

Trustee Vander Velden thanked Director Kyras and CyRide Staff for attending the GSB meetings and explaining the options. He indicated that it provided GSB with the information needed to help determine the direction that should be taken to manage the GSB Trust Fund account. Trustee Vander Velden was comfortable with Scenario B. He indicated that it was a good idea to not decrease service levels, and assume the existing levels next year. He also indicated that the

holiday and the last trip on the Gold Route seemed like a good idea as well. He indicated that he supported this option, which impacted passengers the least.

Trustee Schainker mentioned the City Council might indicate this level of increase was more than the city would be able to pay for its share, but that this option provides the least amount of pain and that there is a fare increase built in and a reduction in operations. He indicated that this pro forma might be overly optimistic about the percentage increase in local contribution and that they may have to come back to CyRide and look at the most inefficient routes for additional savings to reduce the local funding increase.

Trustee Schainker asked if there was a standard method to examine service reductions. Tom Davenport indicated that in the past, CyRide had set a standard that routes with fewer than 10 passengers per hour would be considered for reduced service. Director Kyras indicated that, upon review of other transit systems, they used either passengers per hour or mile and set a standard by time of day and then indicated that routes at 50-60% of that average would be candidates for service reductions.

Trustee Madden said the University's 2012-2013 budget year would potentially not be finalized until closer to the upcoming year. He indicated that the board could address any service changes for the 2012-2013 budget year with the CyRide budget presented by staff to the board in December 2011. He further stated that any changes needed for the next budget year could be addressed in January or February 2012. He then asked if postponing the service changes would have a big impact on the 2011-2012 budget. Director Kyras indicated it would not as there was only one holiday in the current year that would be affected – Memorial Day.

President Anders asked the public if they had comments they would like to address to the Transit Board at that time. Krista Shoeman asked what the savings would be for cutting the last trip on the weekday Gold route. Director Kyras indicated that the savings would total \$2,850.

President Anders asked Director Kyras to recap Scenario B and list the fares individually so there was no confusion. She explained each change in fare category affected by recapping the attached chart.

Director Kyras explained the alternatives available for action by the Transit Board and indicated that if the board desired staff to examine additional fare/service options, their action could be deferred until November; however, she cautioned that the implementation date might need to be moved to February to accommodate the work to be completed to implement the changes, such as reprinting schedules. Trustee Schainker reiterated that the only action that was needed at the meeting was the changes to be implemented in January, which did not include the service reductions. Director Kyras concurred.

Trustee Madden made a motion to approve CyRide staff's recommendation to reduce internal expenses, implement Fare Increase Scenario B. Motion seconded by Trustee Fox. (Ayes: Five; Nays: 0). Motion carried.

President Anders thanked everyone who was present at the meeting and the board members who attended the public meeting. He indicated that this was a difficult decision and commended GSB for their involvement with this decision. He indicated that the Government of the Student Body provides the biggest portion of the funding and getting this participation and involvement is very good for the entire city.

Trustee Madden complemented the CyRide staff for their work on the Fare Increase/Service Study.

TRANSIT DIRECTOR'S REPORT: Director Kyras' report touched on five items:

- Intermodal Facility Monthly Update. She indicated that some time was lost over the last month, approximately three weeks, dealing with the poor soil conditions affecting the completion date, which is now June 18, 2012. The contractor has indicated that time could be made up over the winter if portions of the building construction can be heated, allowing the masonry work to continue through the winter. An estimate on the cost of this will be developed to determine if this would be advantageous.
- Fuel Contract. The first two-month fuel contract shows a savings of approximately \$5,500.
- Hybrid Buses. When CyRide purchased the hybrid buses, it was told the hybrid transmission would increase miles per gallon by 20-25%. Prior to last month, CyRide had not been able to achieve much of an increase. However, with some modifications the hybrid buses have been averaging 15% more miles per gallon than their diesel counterparts over the last 4 weeks. It is still hoped that at least 20% can be achieved in working with the manufacturer.
- AMOS Request. CyRide staff requested board direction from the transit board about the possibility of pursuing the free fares for K-12. The Transit Board encouraged CyRide staff to talk with service agencies to pursue this goal and to work with United Way on this issue.

Trustee Madden shared with other board members that he had received a visit from the AMOS group requesting fare free for K-12 students. He reiterated his thoughts that the Transit Board is not a social service agency and suggests they explore some budgets with the City and United Way as well as other social service agencies by getting some support from these agencies. Trustee Madden asked CyRide staff to provide the transit board with some data on what this service would cost. He further stated that the transit agency is not in the business of administering this type of service. He further questioned how to handle this service, the ID cards and the level of administrative help this program would need.

Director Kyras indicated that CyRide is willing to help provide data and that it could recalculate its cost to offer free fares to students. She indicated that AMOS was part of the United Way Collaboration Committee and suggested this might be an appropriate group to work through this issue. CyRide staff had preliminary conversations with this group last month to gauge their interest in assisting with a program for low-income individuals per previous board member direction. She indicated that she could have conversations with this group about the K-12 program as well, if the board desired.

President Anders shared his thoughts that he understands the AMOS groups concern and can certainly feel a need for this service. His worry was when students cannot get to their jobs when it is critical in maintaining a household. Further, he shared that administration of a program is a critical issue because CyRide bus drivers would be called to a different level of discipline. He suggested the possibility of a “token” fare as opposed to free fares. He encouraged more conversation with the school district stating that schools do a lot of fund raising for trips or band uniforms, and he felt this was a justified reason to raise money to get students on the bus. He indicated that his concern was to create a better transit culture in the community through public relations. He urged AMOS to also pursue these avenues as well. He also shared some concern about whether middle school students would be able to navigate the system through transfers.

Trustee Madden shared his experiences in a recent trip to Uganda and the ability of K-12 students to use technology indicating that he believes they could catch on to using the bus pretty easily.

Trustee Schainker asked the AMOS group if it were possible for the school district to fund some of the costs. Linda Voit with AMOS indicated having had some initial conversations with the Ames School District, it would be difficult. The school system is very regulated. If CyRide were available, it might free up some revenue to put toward education instead of transportation. She indicated that any type of subsidy goes toward books, teachers, and the only money would be the ALP program, which is mainly for students who do not have fares for bus rides. She shared her thoughts on the benefits that a K-12 fare free program could bring, such as a transit culture, selling point for the Chamber of Commerce, and the social service aspect. She indicated that its impact would be positive for families and the community.

Director Kyras indicated that the discussion had provided staff with direction.

- Special Project Updates. Director Kyras provided board members with a brief update on the nine special projects staff was working on, which was attached to the report. In summary, each project is either complete or progressing.

TIME AND PLACE OF NEXT MEETING: Thursday, November 3 at 5:15 p.m. and Tuesday, December 6 at 5:15 p.m.

Meeting adjourned at 6:06 pm.

Bob Anders, President

Joanne Van Dyke, Recording Secretary

Fare	Current Amt.	Proposed Amt.
ISU Students	Fee Paid	Fee Paid
Cash Fare	\$1.00	\$1.25
Reduced Fare Cash (K-12, Medicare, Medicaid, Persons over 65, persons with a disability)	50¢	60¢
Children Under 5	Free	Free
Tickets (Books of 10)	\$10	\$12
Reduced Tickets (K-12, Medicare, Persons over 65, Medicaid, persons with a disability)	\$5	\$6
Reduced Fare Monthly Pass (Medicare, Medicaid, Persons over 65, person with a disability)	Not Avail.	\$20
Monthly Pass	\$35	\$40
Fall Semester Pass (Mid-Aug. to End of Yr.)		
Purchased mid-Aug. to mid-Sept.	\$130	\$160
Purchased after mid-Sept.	\$100	\$120
Reduced Fare Fall Pass (Mid-Aug. to End of Yr.)		
Purchased mid-Aug. to mid-Sept.	\$65	\$80
Purchased after mid-Sept.	\$50	\$60
Winter Pass (Nov. - mid-Mar.)		
Purchased Nov. - Dec. 10	\$120	\$150
Purchased after Dec. 10	\$80	\$100
Reduced Fare Winter Pass (Nov. - mid-Mar.)		
Purchased Nov. - Dec. 10	\$60	\$75
Purchased after Dec. 10	\$40	\$50
Summer Pass (May 7 - Aug. 31)	\$80	\$100
Reduced Fare Summer Pass	\$40	\$50
School Year Pass (Mid-Aug. to May 31)		
Purchased mid-Aug. to mid-Sept.	\$260	\$320
Purchased after mid-Sept.	\$230	\$280
Purchased after Dec. 10	\$130	\$160
Purchased after mid-Feb.	\$100	\$120
Reduced Fare School Year Pass (Mid-Aug. to May 31)		
Purchased mid-Aug. to mid-Sept.	\$130	\$160
Purchased after mid-Sept.	\$115	\$140
Purchased after Dec. 10	\$65	\$80
Purchased after mid-Feb.	\$50	\$60
Transfers	Free	Free
Dial-A-Ride Fare	\$2	\$2