

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

April 19, 2012

The Ames Transit Agency Board of Trustees met on April 19, 2012 at 5:15 p.m. in CyRide's Conference Room. President Anders called the meeting to order at 5:19 p.m. Trustees in attendance were Anders, Gerdes, Wacha and Schainker. Absent: Trustees Vander Velden and Madden.

APPROVAL OF MINUTES: Trustee Gerdes made a motion to approve the minutes from the March 22, 2012 Ames Transit Agency Board of Trustees Meeting. Trustee Wacha seconded. (Ayes: 4, Nays: 0) Motion carried unanimously.

Trustee Vander Velden arrived at 5:20pm.

FY2013 STATE GRANT APPLICATION: Director Kyras asked Shari Atwood, Transit Planner, to review the specifics of the annual State Grant Application with the board. Ms. Atwood went over the amounts requested of the Iowa Department of Transportation to support funding of the operating and capital expenses that CyRide is requesting for the 2012-2013 year. The application is due on May 1, 2012.

Ms. Atwood went over the breakdown of the operating expenses and explained the amounts requested. Specifically, \$533,022 was requested from State Operating Assistance, \$77,511 was requested for Job Access Reverse Commute Operating, which funds the existing routes: 4A Gray mid-day route, the Brown Route for the Summer and the weeknight improvements and the #10 Pink Route on E. 13th and Dayton. \$144,425 was requested for Federal Section 5310 Elderly and Disabled Funding, which funds Dial-A-Ride. In all, the amount requested for operating expenses is \$754,958.

Capital funding requested was for eight 40' bio-diesel buses with cameras, totaling \$2,709,120. An additional \$40,000 was requested for the addition of elderly and disabled amenities at bus stops. Trustee Anders asked if local match would be required for the purchase of all of these buses. Director Kyras explained that eight 40' buses were requested in the event unanticipated dollars became available, but no more than three 40' buses that the board previously approved in the budget would be purchased unless they were funded at 100%. Ms. Atwood added that if CyRide did not have local match dollars available, the purchase could be deferred. She also stated that there is a public hearing on April 30, 2012 that was advertised in the Ames Tribune, but no comments have been received to date.

Director Kyras stated that staff's recommendation is to approve alternative 1, approving the FY2013 State Grant Application subject to public hearing comments.

Motion to approve alternative 1 was made by Trustee Wacha. Motion seconded by Trustee Vander Velden. (Ayes: 5, Nays: None) Motion carried unanimously.

RATE SETTING RESOLUTION-FARES: Director Kyras discussed the rates for the next fiscal year, stating that since there was an increase in January, that the only change that was being proposed is a change in the shop rate from \$80 per hour to \$84 per hour for warranty work reported to vendors. Although a 25% increase was expected because of the fare increase, CyRide saw around a 14% increase from January to March. Staff believes this is due to customers buying ahead in December and the warmer winter weather. Trustee Wacha asked what the box of information on page 12 of the Board Packet represents. Director Kyras replied that it represents the cash and ticket sales; student fees are not represented in this figure.

Director Kyras recommended alternative #1, which approves the 2012-2013 rates with no change from 2011-2012 rates, except for the shop rate increase to \$84 per hour.

Motion to approve alternative #1 was made by Trustee Vander Velden. Motion seconded by Trustee Gerdes. (Ayes: 5, Nays: None) Motion carried unanimously.

RATE SETTING RESOLUTION- PASSES: Director Kyras stated that there were also no changes recommended to the current rates for passes because of the increase that occurred in January. CyRide saw almost a 60% increase in revenue from pass sales when comparing the first quarter of 2011 and first quarter of 2012. Staff believes this is due to both the price change in January and the mild weather. Director Kyras is hopeful that the next quarter will be a better indicator of the impact of the fare increase on pass sales.

Director Kyras recommends approving alternative #1, which approves the 2012-2013 rates that reflects no changes from the 2011-2012 rate structure.

Motion to approve alternative 1 was made by Trustee Wacha. Motion seconded by Trustee Vander Velden. Ayes: 5 Nays: None (Motion carried unanimously.)

VEHICLE TRACKING CONTRACT AWARD: Director Kyras shared that staff has recommended Next Bus as the vendor to be awarded the vehicle tracking project contract because they have both the best price and technical capabilities. She also said that Next Bus has reviewed the original budget for the project and has recommended the following changes: 1-Accurately reflect the fleet and the number of units put on buses as of April 2012. 2-Add spare units to accommodate downtime for repairs. 3- Add four bus stop signs that students are requesting.

Director Kyras stated that there will be some one-time expenses to consider. The four bus stop signs will need electricity, which will have to most likely be trenched and cost approximately \$3,000 per location, \$12,000 total. The total budget for the project is \$459,125. Trustee Wacha asked if the original budget referred to on page 20 of the

Board Packet, meant prior to the modifications recommended by Next Bus and if the project price changed had it not gone out for bid. Director Kyras replied that the term “original” did refer to the price prior the modifications Next Bus recommended and that the unit price in the bid was the same as the 2011 price offered to CyRide.

Director Kyras shared the outcomes of the meeting with the GSB Senate that was held on April 18, 2012. Director Kyras presented the Next Bus information to the GSB Senate and reviewed the budget for this project as well as the GSB Trust Fund. The purchase of the Next Bus system will decrease the Trust Fund balance to about \$1,000,000. The GSB unanimously approved funding this project. A resolution to confirm this will be sent shortly. Director Kyras asked if the Board wanted to move forward with this project, so that it could be taken to the City Council for final consideration.

Trustee Wacha asked if GSB agreed to fund the entire cost. Director Kyras stated that they agreed to fund the initial cost, the first year and two years after if annual operating expenses. Trustee Schainker expressed concern for the future with a possible \$100,000 in operating costs going to a vehicle tracking system instead of additional bus service. Director Kyras said that after 3 years both groups will need to discuss future funding arrangements. Trustee Wacha added that it is unfair to assume that the GSB won't be willing to pay in the future. Trustee Vander Velden confirmed that the vehicle tracking system is something the students want. However, he is not sure they understand costs or funding for the project. Director Kyras added that everyone riding CyRide benefits from this technology, not only the students. A question was raised by Trustee Anders as to whether or not the vehicle tracking system will interface with the website. It was confirmed that it will. Trustee Schainker added that the cost of removing the signs appeared to not produce significant cost savings in the overall project price. Trustee Gerdes pointed out that when evaluating the cost per passenger/person, it is not substantial.

Motion to approve alternative #1, which approves the award to Next Bus for a not-to exceed 3-year contract of \$447,125 for the purchase of the automatic vehicle locating system, with funding from the GSB Trust Fund, was made by Trustee Gerdes. Motion seconded by Trustee Wacha. Further clarification was requested by Trustee Vander Velden, who questioned the amount of \$447,125 in alternative #1, when the total project cost was \$459,125. Director Kyras clarified that \$447,125 is the amount awarded to Next Bus and the \$12,000 difference would be paid to Iowa State for the cost to electrify the signs.

Trustee Vander Velden confirmed the motion to approve alternative #1. (Ayes: 5, Nays: None) Motion carried unanimously.

Dial-A-Ride SERVICE UPDATE: Director Kyras stated that although there is no current action needed, she wanted to provide the Board with information on the status of the Dial-A-Ride program. She had previously sent an email to each of the Transit Board members

stating that there were no proposals received in response to the recent Request for Proposal for service providers of the program. It was further investigated as to why no proposals were received, particularly from HIRTA. The Executive Director of HIRTA shared with Director Kyras that they did not bid the service because her Board of Directors had indicated that it an inopportune time to take over Dial-A-Ride, when they are already taking over the Story County Service from Heartland Senior Services beginning 7/1/12.

Director Kyras and staff members met with the HIRTA Executive Director and three members of their Executive Committee Board to clarify misunderstandings of the operations and financials of the Dial-A-Ride Program and how it would complement the service they are going to provide in Story County. The HIRTA Executive Director is very supportive of HIRTA operating Dial-A-Ride and after the meeting explaining operations and financials, so are the 3 members of the Executive Committee. On April 26, 2012, the HIRTA Board will meet at the Des Moines Airport. All members of the HIRTA Board will be voting on whether or not to commit to HIRTA operating Dial-A-Ride. Director Kyras and Tom Davenport, Transit Coordinator, will be doing a presentation of the Dial-A-Ride program at the HIRTA Board meeting.

Since there is not adequate time to do another formal Request for Proposal, Director Kyras met with Assistant City Manager, Sheila Lundt, who consulted with the City of Ames Purchasing Department, and confirmed that single source procurement is sufficient if the price can be satisfactorily negotiated. Similarly, the federal requirement can be satisfied through sole source procurement. Trustee Wacha questioned how HIRTA could commit to operating the service without a price being known. Director Kyras responded that they can commit to service contingent upon satisfactory price negotiations.

Director Kyras indicated that HIRTA is in need of office space to operate the Story County service they are taking over for Heartland Senior Services. HIRTA may be interested in space in the new Intermodal Facility. Director Kyras is working on a quote for price per square foot in the facility.

Trustee Anders asked how the employees and buses would relate to CyRide if HIRTA would operate the Dial-A-Ride program. Director Kyras responded that if HIRTA operates Dial-A-Ride, the drivers would be employees of HIRTA and the buses would be their buses, with the exception of 1 bus that CyRide would lease to them. This would be the same bus that is currently leased to Heartland Senior Services. It is also a possibility that if HIRTA were to operate Dial-A-Ride, that they would be interested in partnering with CyRide for training and back-up for vehicle issues.

If HIRTA does not elect to operate the Dial-A-Ride program, the service would have to be run by CyRide, beginning July 1, 2012. Trustee Anders asked if CyRide is the default organization to operate Dial-A-Ride if no one else chooses to operate the program.

Director Kyras explained that CyRide is responsible for the program and that it is a federal requirement that we offer the complementary service. If CyRide has to assume the service, there will be additional expenses, including \$210,000 for two additional vehicles and \$202,000 for operational expenses and dispatch wages/benefits. Federal funding can be used for the cost of vehicles, which leaves a net increase of \$172,000 in 2012-2013 operating expenses currently not in the budget. Director Kyras pointed out that there will be significant operational impacts in addition to the financial impacts discussed.

2012-2013 GROWTH POTENTIAL: At last month's meeting, Director Kyras walked the Board through the impacts that a 5,000, two-year student increase at ISU would have on CyRide. At that meeting, Trustee Madden suggested that CyRide staff put together impacts that would be generated based on 31,000 students for the next school year. Information reflecting the increase to 31,000 students was reviewed by Director Kyras on page 30 of the Board Packet. The information reflects the need for 2-3 additional buses, 5-8 additional drivers, with approximately \$187,000 in operation expense, over \$22,000 for training expenses for the additional drivers and \$150,000 for two used buses, for a total of over \$359,000. Director Kyras reminded the board that this amount was not included in the budget that was approved in January. Expenses of this magnitude would impact the closing balance of 10%, by decreasing it substantially if no modifications are made.

Director Kyras reviewed the balance in the GSB Trust Fund, which will increase to over \$1.8 million in the next year if there are 31,000 students enrolled. Trustee Schainker asked for clarification if this amount was before or after the vehicle tracking award of \$459,000. Director Kyras responded that the \$459,000 was not reflected in these figures.

It was proposed by Director Kyras that a possible solution for the additional growth would be to cap the amount of growth that would go into the GSB Trust Fund at 1%, with anything above 1% staying in the operations budget. Using the scenario of 31,000 students enrolled, with funding to the trust fund capped at 1%, the GSB Trust Fund would increase by \$36,000 and CyRide's operating budget would increase by \$96,000. Director Kyras has not yet consulted with the Legal Department on whether a change to the three party agreement would be required.

Trustee Gerdes inquired that if the change in enrollment produces growth would all of the growth be directed into the GSB Trust Fund. Director Kyras responded that any student fees generated in excess of the current funding agreement of 4% would be directed to the GSB Trust Fund, with the 4% representing a specific dollar amount. Trustee Schainker clarified that student fees would remain the same for the student; the change is how the fees are directed within the budget. Excesses above the amount required to fund their portion of the three party agreement go into the GSB Trust Fund.

Director Kyras stated she is looking for board direction on this matter. Trustee Schainker indicated that the total budget would be \$350,000 short and that this change to the growth cap on the GSB Trust Fund only produces \$96,000, which is substantially short of the \$350,000 needed. Director Kyras responded that there are some things that could be done differently; CyRide is getting three buses in July, so two to three buses could be kept instead of purchasing new, used buses saving \$150,000. Also, Director Kyras indicated that the amounts presented for the budget deficit as a result of the growth to 31,000 students is the worst-case scenario.

Trustee Wacha inquired if formal conversations have taken place with the GSB about the funding situation. Director Kyras responded that they have not taken place with the entire GSB, but conversations have been had with Trustees Vander Velden and Gerdes, who represent the GSB. Since the GSB will not be meeting this summer, Director Kyras is looking for policy direction from the board on how they would like to proceed as CyRide will face impacts as early as the beginning of the Fall semester.

It was questioned by Trustee Wacha if the cap is the best solution to the issue and if other alternatives had been explored by staff. Director Kyras stated she had conversations with Tom Davenport, Transit Coordinator and, as a result of the abnormal growth in ridership and enrollment previously experienced, she came up with the solution presented; however, other solutions could be explored as well. Mr. Davenport shared his thoughts on an alternate way of funding the increased expenses as a result of ridership increases. He indicated that the average rides per student is 175 rides per year and the growth in the number of students enrolled produces a number of rides that is increased over the current year by a certain percentage. This percentage could be used to calculate the increase to be shifted from the GSB Trust Fund annually.

Trustee Schainker questioned how the cap amount was determined and whether or not it was necessary that the Trust Fund continue to grow. Director Kyras indicated that enrollment decreased in 2006 and 2007 and the Trust Fund would cover funding requirements during such declines in enrollment. Therefore, the concept provided with the "cap" scenario was that it should continue to grow to address years when enrollment decreases, just not grow exponentially when it increases. Trustee Schainker further questioned if it was necessary to keep increasing the amount in the Trust Fund. Trustee Gerdes stated that the growth is necessary to fund one-time projects such as the Next Bus, vehicle tracking project. Mr. Davenport stated that the Trust Fund has grown rapidly because student fees were increased when there was a decline in enrollment and since that time enrollment has increased substantially.

Trustee Anders asked if the GSB Trust Fund is dedicated to CyRide or if it could be used for anything else at the GSB's discretion. Director Kyras responded that the amount in the Trust Fund has to stay within CyRide, but it can be allocated differently, with additional dollars to operations instead of growth in the Trust Fund. Director Kyras recommended that the board proceed with either alternative #2 or #4. She explained

that option #2 has CyRide Staff meeting with the GSB to discuss the issue and find a mutually agreed upon solution or option #4, which tables action until the next Transit Board of Trustees meeting. Trustee Gerdes added that although growth in the Trust Fund is needed, she likes the idea of capping growth at 1% because there are not going to be \$500,000 projects every year and the amount in the Trust Fund does not need to be that large. She would like to see #2 or #3 solutions be considered by the Transit Board of Trustees. Trustee Wacha indicated that he was more comfortable with Option #4 to table action so that input could be gained from Trustee Madden.

Trustee Wacha motioned to table action until the next Transit Board of Trustees Meeting. Trustee Vander Velden seconded the motion. (Ayes: 5, Nays: None) Motion carried unanimously.

DIRECTOR'S REPORT:

- Director Kyras shared that the Intermodal Facility Ribbon-Cutting Ceremony is scheduled for Saturday, June 9, 2012. Senator Harkin has committed to attending. Representative Latham is trying to work this into his schedule and Senator Grassley has not yet responded.
- CyRide was subject to a Federal Review of the projects funded with Federal Stimulus money. The review found two items that needed to be addressed: 1-pre-award/post-delivery audits were not performed 2- Lack of independent cost estimate. Overall, this was a very good review and a good learning opportunity.
- A report was released by the US DOT that indicated there were 703 applications received, totaling \$10.2 billion requested. There is only \$500 million available in funding. CyRide is one of the 703 applicants competing for a share of the \$500 million.
- When obtaining quotes for flood insurance providers, it was discovered that buses are not insured when they are inside the garage. There are some additional costs of insurance for this coverage that Director Kyras will present at the May Board meeting.

Trustee Anders complimented staff on the incredible results of the Federal Review. Director Kyras attributed the success to a strong partnership with ISU.

TIME AND PLACE OF NEXT MEETING: A date could not be established. Joanne Van Dyke will contact board members to determine available dates.

ADJOURN: Meeting adjourned at 6:13pm.

Robert Anders, President

Julie Merges, Recording Secretary