

AMES TRANSIT AGENCY BOARD OF TRUSTEES
CYRIDE CONFERENCE ROOM

May 9, 2013

1. CALL TO ORDER: 5:30 P.M.
2. Approval of April 11, 2013 Minutes
3. Public Comments
4. Recognition of Outgoing Board Members
5. Intermodal Facility – Acceptance of Final Completion
6. HIRTA Dial-A-Ride Contract Extension
7. Transit Advertising Three Year Contract
8. Supply of Fuel and Fueling Equipment During Summer Construction
9. GSB Trust Fund – Automatic Increase for Enrollment Proposal
10. Transit Director's Report
11. Set Time and Place of Next Meetings:
 - June 27 - 5:00 pm
12. Adjourn

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

April 11, 2013

The Ames Transit Agency Board of Trustees met April 11, 2013 at 5:30 p.m. in CyRide's Conference room. Trustees Anders, Madden and Wacha were present, Trustees Leines and Schainker were absent and Trustee Rediske would be coming later.

PRESENTATION – ORANGE ROUTE STUDY UPDATE: Director Kyras introduced Bill Troe, Project Manager, who provided an update on the Orange Route Study to date. Mr. Troe described the data collection effort, which included on-off counts to determine higher ridership locations, a passenger survey to individuals parking at the Iowa State Center to determine where their trip started and ended and information regarding ISU building usage and Osborn Drive usage by vehicle type.

The on-off count data found that the highest usage bus tops are as follows:

1. Maple-Willow Larch
2. Iowa State Center Parking Lot
3. Parks Library
4. Beardshear Hall
5. Kildee-Bessey Halls
6. Gilman Hall, Memorial Union, Gerdin
7. Forker, Lied Rec, Seed Science Lab
8. General Services Building

Eighteen hundred surveys were distributed to passengers of which approximately 630 were returned, for a 33% return rate. Mr. Troe considered this a statistically significant return. The passenger survey from the ISC lot found that 75% of individuals driving to this location lived within Ames and 25% lived outside of Ames. Further, that a majority of the riders were coming from locations south of Lincoln Way. The primary reason given for using the lot and riding CyRide's Orange route was because it was free parking followed by "it was on their way" and it was a quicker trip. The survey also found that a majority of the riders from the ISU lot were not willing to pay for parking at the Center followed by \$20 per year being the maximum willing to pay to park.

Mr. Troe also explained the alternatives that would be studied, which included light rail, trolley, Bus Rapid Transit, and bus only options such as all articulated buses on this route. He also briefly discussed possible criteria that each alternative would be evaluated against such as: Meets Riders Demands, Flexible for High/Low Demand Period, Benefits to Current/New Riders, Benefits to the Community, Safety/Reduces Conflicts on Campus, Environmental Effects and Cost.

Director Kyras explained that a public meeting had been held one night before the Board Meeting and that it was not well attended. She indicated that efforts will be made to get

more public involvement and input. The next steps on this project are to continue developing data and identifying alternatives over the summer then in the fall when students return to have a second public meeting to discuss the information gathered around each of the alternatives on this route.

Trustee Rediske arrived at 6:13pm.

President Anders proceeded by calling the meeting to order at 6:19 p.m. with Trustees Anders, Madden, Wacha, and Rediske in attendance.

APPROVAL OF MINUTES: Trustee Madden made a motion to adopt the March 11, 2013 minutes. Trustee Wacha seconded the motion. (Ayes, four. Nays, none.) Motion carried.

PUBLIC COMMENTS: No public comments.

FY2014 STATE GRANT APPLICATION: Director Kyras said that CyRide submits a State Grant to the Iowa DOT by May of each year for operating and capital funding. She asked Shari Atwood, CyRide's Transit Planner, to provide the details of CyRide's 2013-2014 application request.

Ms. Atwood explained that the 2013-2014 application contained two operating assistance requests - \$586,171 for general operating assistance and \$222,864 for Elderly and Disabled funding used to support Dial-A-Ride service. Total operating funding requests total \$809,035.

She indicated that on the capital side, the discretionary requests for Federal 5339 funding were for 8 - 40 ft. replacement buses with surveillance cameras for a total cost of \$2,883,200 and \$40,000 or Elderly and Disabled funding to improve bus stops. Total capital requests are for \$2,923,000.

Operating and Capital requests total \$3,732,235 in the grant application.

Director Kyras added that the Elderly and Disabled operating funds were higher than originally reported by the Iowa DOT. At that time, CyRide staff was concerned that this lower amount (estimated at approximately \$139,000) would be not cover CyRide's HIRTA Dial-A-Ride contract for expenses during the 2013-2014 budget year as expenses were estimated to be around \$180,000. However with this change, CyRide will have sufficient funding for next year's Dial-A-Ride services.

She also added that the eight 40-ft buses would not be purchased unless federal/state dollars were available. As federal and state budgets are not set at this time, CyRide includes buses that are eligible for replacement in the hope that some level of funding may be realized. She indicated that CyRide received a significant number of new buses from the federal stimulus program as a result of including all eligible buses in the state's grant application. If all eligible buses had not been included, CyRide would not have received the

level for funding that it did. She indicated that as of this date there is no capital identified; however, all paperwork would be in place if funding became available from the state or federal sources.

Ms. Atwood explained that there were several projects missing this year from previous years: Job Access and Reverse Commute (JARC) funding for #4A Gray midday (midday Yellow), #6 Brown summer and #10 Pink. CyRide typically request \$77,500 for these JARC projects, however, this funding was eliminated in the Transportation Bill, MAP-21, and provided to transit systems through operating funds instead.

Trustee Madden made a motion to approve the FY2014 State Grant application subject to public hearing comments. Trustee Rediske seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

RATE SETTING RESOLUTION – FARES: Director Kyras explained that this is the time of year CyRide looks at fare and pass prices. She distributed data indicating the impact of the previous year's fare increase. She indicated that cash and ticket revenues had declined 2.7% and total revenues were down 2.1%, indicating that fewer non-students were riding transit and instead choosing to travel by other means. She also indicated that the additional 25¢ was inconvenient for customers, as putting a \$1 bill in the farebox was easier. She also indicated that the introduction of the new monthly reduced fare pass had impacted total revenue.

She indicated that the only change to the fare structure is the shop rate changed to \$86/hour from \$84/hour.

Trustee Wacha made a motion to approve the 2013-2014 fare rates that reflect no change from the 2012-2013 rate structure, except for an increase in the Shop Rate to \$86/hours. Motion seconded by Trustee Madden. (Ayes: Four. Nays: None.) Motion carried.

(Ayes: Four. Nays: None.) Motion carried.

RATE SETTING RESOLUTION - PASSES: Director Kyras discussed the chart on page 9 for semester and monthly passes, showing revenue is higher, but lower than expected. With the introduction of a new pass, revenue was up 7.8%.

Trustee Madden made a motion to approve the 2013-2014 rates, which reflects no change from the 2012-2013 pass rate structure. Trustee Rediske seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

TRANSIT DIRECTOR'S REPORT:

- **Articulated Bus Public Perception** - An attachment to the report included interesting Twitter comments on the articulated buses. Director Kyras indicated that students are enjoying the new-style bus and that it is being heavily used, with standing loads. She

further stated that staff was in the process of evaluating the potential of these vehicle to determine which routes could benefit the most from their operation. Staff is considering the Cardinal route, in addition to the Orange route, especially with the additional housing units in Fredrickson Court next fall. Mileage about 3 mph.

- **Construction Update** – This is the first week of construction and the project is to be substantially completed by May 30 of 2014. Staff is working through the phasing and was surprised by the number of construction and supply trailers needed for the project. Parking for staff and contractors will also be a challenge. She also made the Transit Board members aware that CyRide will not have access to its fueling station or bus wash until the newly-constructed service lane is available August 7. Henkel will provide a portable fueling station during the summer for fueling buses and CyRide staff will need to wash buses by hand. Trustee Madden offered that staff could contact ISU’s Transportation Facility to see if their facility could accommodate CyRide buses during the summer months.
- **MAP-21 Change** - MAP-21 is creating an unexpected challenge for CyRide. Prior to MAP-21, CyRide was a designated recipient where it was eligible for funding to come directly to CyRide. This new legislation will require transit systems serving populations of 50,000 – 200,000 to go through the Iowa DOT as a Direct Recipient of the State. Many grants allow only Designated Recipients to apply for them, which would eliminate possible funding opportunities for CyRide that were previously available. Director Kyras explained that she was being told by others in Washington that legislators did not understand the ramification and some groups were urging legislators to reconsider this change. With this change, CyRide will need to change legal documents, indicating the new designation to Direct instead of Designated.

Trustee Madden said with the change in status, perhaps consideration should be to lobby or influence the legislators. Director Kyras agreed and stated that the Iowa transit delegation was working with the legislators and, depending on how this effort turned out, might need additional assistance from the community. She further explained her concern that the Iowa DOT has a different perspective and would like all transit systems in Iowa to share in funding as opposed to individual grants to specific systems. As a result, this difference could create issues in the future if grant programs became available again, particularly with the need for buses to address projected enrollment increases.

- **Leases/Contracts** - May Transit Board will have renewals for leases expiring June 30, 2013 with Jefferson and Executive Express, as well as contracts for advertising and HIRTA.

Next meeting of the Ames Transit Board to be held May 9, 2013 at 5:30 p.m.

Transit Board meeting adjourned at 6:40 p.m.

President, Robert Anders

Recording Secretary, Joanne Van Dyke

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: May 9, 2013
SUBJECT: Recognition of Outgoing Board Members

BACKGROUND: Under the City of Ames Municipal Code, which created the Ames Transit Agency, four of the six seats on the Transit Board are subject to term expirations each year. These expirations will occur May 15, 2013.

INFORMATION: The May board meeting will be the last official meeting for three of CyRide's current board members, Robert Anders, Chad Leines and Councilman Tom Wacha. The board will recognize each of these soon-to-be past board members at the meeting for their vision and dedication to preserving CyRide's quality transit service for the Ames/ISU community.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: May 9, 2013

SUBJECT: Intermodal Facility – Acceptance of Final Completion

BACKGROUND: The Ames Intermodal Facility was opened on July 1, 2012 and since that time, the General Contractor, Weitz Corporation, has worked to complete outstanding construction items, including the fall 2012 addition of the bike trail. All contracted work has now been completed. A total of \$387,600.48 is outstanding on this contract, which represents the retainage amount.

INFORMATION: On April 25, 2013, the architectural firm for the project, Neumann Monson PC Architects, submitted a Letter of Final Inspection (attached) indicating that all requirements of the contract have been met by the Weitz Corporation. With all work under the construction contract satisfactorily completed, CyRide staff has reviewed all required documentation for final payment for the facility and as of May 3, 2013 each of these issues have been addressed as follows:

- **Punch-List Items** – All items contained in the construction contract has been completed to the architect’s satisfaction as described in the Certificate of Inspection from Neumann Monson PC.
- **Operating and Maintenance Manuals** – CyRide has received all manuals required to operate building equipment and for structural repairs as well as warranty information.
- **As Built Drawings** – The architect has received all drawings of the building from Weitz Corporation as it was actually constructed as opposed to the original facility drawings and will forward these to CyRide.
- **Lien Waivers** – Weitz Corporation is in the process of completing this lien waiver requirement. Once these are received, the City’s Finance Department will review these waivers and ensure all have been received. All construction claims against the project have been resolved.
- **Sworn Statement from the Contractor** – State law requires that the contractor notify all subcontractors 10 days prior to requesting retainage under the

contract. CyRide is anticipating receipt of this sworn statement within the next several weeks.

- **Final Pay Application** – This application, requesting final payment of retainage, is anticipated in the next several weeks.

The Ames Intermodal Facility received its final certificate of occupancy on January 10, 2013 as noted in the attached certificate.

If approved by the Transit Board at this meeting, this item is anticipated to be included on the May 14 or 28, 2013 Ames City Council meeting, completing the final approval step.

ALTERNATIVES:

1. Approve final payment in the amount of \$387,600.48 to Weitz Corp. for the completion of the Ames Intermodal Facility, contingent upon receiving all lien waivers, a Sworn Statement from the Contractor, receipt of final pay application and City Council approval.
2. Defer this item until a future Transit Board Meeting once all contractor requirements are completed.

RECOMMENDATION:

With the next Transit Board meeting scheduled for late June, 2013, timely payment of the final contractual obligation to the General Contract could be delayed until July 2013. Approval of payment, contingent upon completing the four outstanding items would allow payment to be processed more quickly. Consideration of final payment to Weitz Corporation would not be submitted to the Ames City Council for consideration until all items are completed by the contractor.

Therefore, the Transit Director recommends approval of recommendation #1 to approve final payment to Weitz Corporation, contingency upon receiving the outstanding items identified.

CERTIFICATE OF FINAL INSPECTION

TO: City of Ames / Ames Transit Agency (CyRide)
1700 University Blvd.
Ames, IA 50010

PROJECT: Ames Intermodal Facility
Chamberlain/Hayward Ave.
Ames, Iowa

CONTRACTOR: The Weitz Company, LLC
5901 Thornton Avenue
Des Moines, IA 50321

The undersigned, having reviewed the Work performed under this Contract, hereby certifies that to the best of his knowledge, information and belief, except as listed below, the Work has been completed in a satisfactory manner in accordance with the Contract Documents. The work performed is hereby recommended for complete "acceptance" by the City of Ames / Ames Transit Agency (CyRide).

Exceptions: None

Attachments: AIA Document G706A-1994

ARCHITECT: Neumann Monson PC
1000 Walnut St. Suite 101
Des Moines, IA 50309

By:  _____ Date: 04.25.2013 _____



City of Ames
Inspection Division
515 Clark Avenue
Ames, IA 50010

CERTIFICATE OF OCCUPANCY

129 HAYWARD AVE
09-09-125-095/09-09-125-095

This Certificate of Occupancy certifies that the structure at this address has received final inspections and may be occupied.

Application No: 11-00001131

Owner: AMES TRANSIT AGENCY (CYRIDE)
1700 UNIVERSITY BLVD
AMES, IA 50010

Contractor: THE WEITZ COMPANY
5901 THORNTON AVE
DES MOINES, IA 50321

Structure Info:
Construction type: TYPE 1B N-COMB PROTECTED
Occupancy type: LOW HAZARD STORAGE
BASEMENT SQUARE FEET: NA
LAND USE: COMMERCIAL
LOT SIZE: 217,502 SQ FT
NUMBER OF STORIES: 3
NUMBER OF UNITS: NA
SQUARE FEET IN AREA: 108,000

Issue Date: January 10, 2013

A handwritten signature in black ink that reads 'Scott Rippeny'.

Building Official or Designee

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: May 9, 2013

SUBJECT: Dial-A-Ride Contract Extension

BACKGROUND: In May 2012, CyRide and the City of Ames entered into a three-year contract, with annual renewals, for the Heart of Iowa Regional Transit Association (HIRTA) to provide Dial-A-Ride (DAR) service as required by the Americans With Disabilities Act on behalf of CyRide. HIRTA began operation of the Dial-A-Ride service on July 2, 2012. The current contract expires on June 30, 2013, unless it is renewed on July 1, 2013.

INFORMATION: CyRide staff began discussions with HIRTA regarding renewal of the DAR contract for the 2013-2014 budget year. In these preliminary discussions, HIRTA indicated an interest in continuing to provide DAR service on behalf of CyRide. The attached letter confirms this desire and their proposed rate structure for the 2013-2014 year. A comparison of current year's rates versus the proposed rates is described in the table below.

HIRTA Contract Rate for DAR Service

Rate Category	2012-2013 Budget Rate	2013-2014 Budget Rate	% Change
Weekday Trips	\$12.06 per trip	\$12.55 per trip	4.0%
Weeknight Trips	\$40.56 per hour	\$42.15 per hour	3.9%
Weekend Trips	\$40.56 per hour	\$42.15 per hour	3.9%

The above increases are within industry standards for transit operating contracts and the cost per hour and trip is lower than CyRide's cost to provide the service.

In reviewing customer comments received from DAR passengers, the first six months of service generated a number of complaints including:

- Difficulty in reaching a dispatcher to schedule/cancel a trip
- Customers being late to appointments

- Dispatcher/Scheduler confusion on DAR service requirements
- Missing customer trips
- Frustration with the customer's driver

CyRide staff has worked with HIRTA staff to address each complaint received and, through this discussion, HIRTA has modified their telephone service to improve timeliness of telephone calls, worked with their dispatchers and schedulers to better understand the location of buildings on Iowa State University's campus, provided additional training to dispatchers/schedulers on the difference between DAR service and HIRTA's own programs, and adjusted staffing to address service concerns. Since January 2013, the number of customer complaints has been reduced dramatically from several complaints per week to an average of one per month. HIRTA staff has worked very hard to address issues with their operation of DAR service.

As a result, CyRide staff requests consideration of extending the CyRide-HIRTA contract for Dial-A-Ride service for the 2013-2014 budget year.

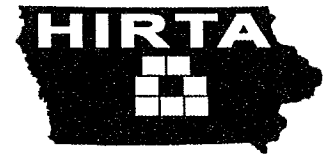
ALTERNATIVES:

1. Approve a contract extension with Heart of Iowa Regional Transit Association for the 2013-2014 budget year at approximately a 4% increase in rates.
2. Table action on the CyRide-HIRTA contract extension to provide additional information to the Transit Board of Trustees, as requested.
3. Do not enter into a contract extension for Dial-A-Ride service and begin directly operating service on July 1, 2013.

RECOMMENDATION:

The Transit Director recommends approval of Alternative #1 to enter into a contract extension with HIRTA to provide Dial-A-Ride service next fiscal year. While there have been challenges in the service this last year, HIRTA has systematically made improvements to their service to address customer concerns. Additionally, operation of DAR service by HIRTA provides the most economical delivery of service within the community by combining DAR and HIRTA program service as opposed to separate, at times duplicative services.

Heart of Iowa Regional Transit Agency



Boone • Dallas • Jasper
Madison • Marion • Story • Warren

5/2/2013

Dear Sheri Kyras:

The Heart of Iowa Regional Transit Agency (HIRTA Public Transit) would like to indicate our interest in continuing the contract with CyRide for HIRTA to provide Complimentary ADA Paratransit services in the City of Ames.

We feel the first year has been successful and we look forward to continuing work with CyRide.

Thank you.

Sincerely,

Wayne Clinton
HIRTA Board Chair

Rates for FY2014

Julia Castillo

to:

Sheri Kyras

05/02/2013 11:30 AM

Show Details

\$12.55 per Trip for Weekday Trips until 8pm

\$42.15 per Hour for Weeknight Trips after 8pm and Saturday and Sunday

Julia Castillo

Executive Director

HIRTA Public Transit –

Serving the Iowa Counties of Boone, Dallas, Jasper,
Madison, Marion, Story and Warren

P: 515-309-9281 | F: 515-777-2745

jcastillo@ridehirta.com

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: May 9, 2013
SUBJECT: Transit Advertising Three-Year Contract

BACKGROUND: CyRide currently has a contract with Houck Transit Advertising to sell advertising space on the inside and outside of its buses. This agreement is a five-year contract that expires on June 30, 2013.

INFORMATION: CyRide's existing contract provides the transit system with:

- 52% of the gross revenues generated from sales
- A minimum guarantee of \$101,000 per year

Revenues generated from this contract have provided CyRide with \$101,000 to \$121,667 annually. The existing contract has benefited CyRide by providing valuable revenue with minimal effort. Houck Advertising is responsible for all aspects of the advertising process including placing and removing advertising on the buses.

With the expiration of the advertising contract, CyRide distributed a Request for Proposal for Transit Advertising Services on April 1, 2013 and received proposals on May 3, 2013 from one firm – Houck Transit Advertising.

As a single bid, CyRide is in the process of reviewing this bid and comparing it to other advertising contracts in Iowa. The result of this analysis and staff recommendation will be provided at the Transit Board meeting.

ALTERNATIVES:

1. Approve the staff recommended award for transit advertising services.
2. Extend the existing contract for three months and re-bid the contract.
3. Evaluate in-house transit advertising services.

RECOMMENDATION:

The Transit Director evaluation and recommendation will be provided at the Transit Board meeting.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: May 9, 2013

SUBJECT: Supply of Fuel and fueling Equipment During Summer Construction

BACKGROUND: CyRide will not have use of existing indoor fueling facilities from approximately the third week of May until the third week of August due to the current facility expansion project. On-site temporary fueling facilities were included in the construction contract. In April, Henkel Construction Company approached CyRide about issuing a credit for the equipment under the belief that CyRide could get better pricing by issuing a joint procurement for fuel and fueling equipment. Henkel has stated the total credit amount will be in the range of \$1,800 - \$2,000. A local supplier estimated the value of the credit at \$1,760 and the Project Architect estimated the credit at \$2,400.

Staff was agreeable to the idea as CyRide would be using the equipment and be responsible for keeping the fuel tanks full. On April 26th, with the assistance of the City of Ames Purchasing Division, Request for Bid No. 2013-200 was released for both equipment and fuel for a three-month period. Bids were due on May 2nd with two bids being received.

INFORMATION: As the table below illustrates, Keck Energy had the lowest total equipment rental cost and the lowest fuel bid.

Description	Keck Energy	New Century FS
Weekly Equipment Rental Rate	\$ 45.00	\$ 350.00
Set-up, Removal, & Cleaning Fee	\$ 400.00	\$ 0
12 Week Total Equipment Rental Cost	\$ 940.00	\$ 4,200.00
Cost Over/Under Des Moines Rack for #2 ULSD Diesel	+ 0.077	+0.20
Est. Additional Cost Above the Market (Rack) Rate	\$ 6,006.00	\$15,600.00
TOTAL Cost Above Market Rate (Eq. And Fuel)	\$6,946.00	\$19,800.00

As a result, the Keck Energy bid is the lowest cost bid.

The contract would be for the equipment and fuel (the market rate plus the “Cost Over/Under Des Moines Rack for #2 ULSD Diesel” rate). Therefore, the not-to-exceed rate would include CyRide’s budget for fuel of \$3.50 per gallon for 78,000 gallons for the three-month period (\$273,000) plus the equipment rental of \$940 or a total of \$273,940. The budgeted fuel amount is being used as the exact market rate for the three-month period is unknown at this time.

ALTERNATIVE:

1. Approve contract award to Keck Energy of Des Moines, IA for the purchase of fuel and fueling equipment rental during the estimated 12-week construction period when CyRide’s permanent fuel facilities will be unavailable. The total contract amount shall not exceed \$273,940.
2. Do not approve the award of fuel purchase and fueling equipment rental.

RECOMMENDATION:

The Transit Director recommends approval of Alternative #1 awarding fuel supply and fueling equipment rental to Keck Energy of Des Moines, IA so that CyRide’s operation can continue over the summer months while major construction is occurring on its site.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: May 9, 2013

SUBJECT: GSB Trust Fund – Automatic Increase for Enrollment Proposal

BACKGROUND: Iowa State University (ISU) enrollment and CyRide ridership have been growing for the past seven years, as illustrated below, and is predicted to continue to increase in the next several years.

Year	ISU Enrollment	% Increase	CyRide Ridership	% Increase	Buses Added
2005-2006	25,741		4,173,208		6
2006-2007	25,462	-1.1%	4,314,151	+3.4%	3
2007-2008	26,160	+2.7%	4,646,554	+7.7%	2
2008-2009	26,856	+2.7%	5,002,146	+7.7%	4
2009-2010	27,945	+4.0%	5,377,155	+7.5%	0
2010-2011	28,682	+2.6%	5,447,289	+1.3%	0
2011-2012	29,887	+4.2%	5,759,883	+5.7%	0
2012-2013	31,040	+3.9%	5,850,000	+1.6%	3
Total		+20.6%		+40.1%	18

As the above chart indicates, ISU enrollment has increased 20%, while CyRide ridership has grown by 40% in this same time period, carrying almost 1.7 million additional rides and requiring 18 additional buses during the peak period. This exponential growth has created financial and infrastructure challenges, and with continued enrollment increases, will further strain resources to provide a quality service in the future under the current funding scenario.

In light of this situation, the Transit Board of Trustees in January 2013 requested staff to identify potential changes to the operating/GSB Trust Fund calculations for discussion by the Transit Board, Iowa State University, and Government of the Student Body.

In March 2013, the Transit Board of Trustees reviewed three possible solutions and requested that staff develop a fourth option that was a hybrid between two of the solutions provided.

INFORMATION: The analysis of this challenge will include the following information:

- Definition of the Problem
- GSB Trust Fund Purpose and Balance
- Possible Solutions

Definition of the Problem

Each December CyRide develops budget options that include:

- Baseline Budget (same service level at the following year's cost plus inflation/wage increases)
- Baseline Budget with Service Increases (baseline with board-desired service improvements)

Both types of budget options base cost estimates on current enrollment levels. When substantial or year-after-year increases occur, CyRide's budget is not able to accommodate the additional ridership created by the enrollment increase(s), estimated at an additional 150-170 rides per student enrolled at ISU. As additional riders are at the bus stop, CyRide must place additional buses on peak trips so that individuals are not left at the bus stop. When buses consistently carry 60 riders (150% of seated capacity), additional buses are placed on a bus trip.

Financially when ISU enrollment grows, the additional student fee dollars, above what is needed for the local share, is placed in the GSB Trust fund and CyRide's operating budget remains the same while at the same time incurring additional expense to provide the additional rides. With a 20% increase over the past seven years and tighter budgets due to stable to lower state and federal funding sources for operating service, CyRide has needed to request Special Student Fee and Tuition Committee permission the last two years to transfer GSB Trust Fund dollars to the operating budget to financially pay for ridership growth the next fall as a result of enrollment increases.

GSB Trust Fund Purpose and Balance

The purpose of the Government of the Student Body (GSB) CyRide Trust Fund is to "smooth out" student fees over time as enrollment varies from year to year. In years with declining enrollment, large fee increases are not necessary to provide the student's local funding share needed to support service the following year as the GSB Trust fund has a positive balance. Any deficits created from lower enrollment and student fees can be taken from the GSB Trust Fund balance as opposed to a large, one-year increase in fees for the following year. Likewise, in years with higher enrollment, excess student fee funds generated, above the local funding share needed to support service the

following year, is added to the Trust Fund balance. Positive balances in the Trust Fund generate interest on the balance and deficit balances require interest payments to the Trust Fund.

The specific intergovernmental agreement language that creates this fund and dictates how it is administered is as follows:

2.1.e. Payment of the agreed level of contribution by the GSB is to be made from student fees assessed for that purpose. Therefore, it is recognized that, due to the enrollment fluctuations, there will always be some disparity, plus or minus, between the amount of the GSB contribution budgeted and the sum actually realized from student fees for that purpose.

(1) GSB shall have no liability or carry-over debt in subsequent years because of fees being less than the budgeted amount.

(2) However, when fees are collected in an amount exceeding the agreed level of contribution the excess shall also be paid over to the Ames Transit Agency to be retained as a credit to a reserve account. Any such amount shall be invested at interest and interest earned credited to the reserve account.

(3) Funds in the said reserve account shall be used by the Ames Transit Agency to offset any deficiency of revenue from student fees for the GSB contribution. Should the amount in such reserve account ever be, in the judgment of the Ames Transit Agency Board of Trustees, substantially greater than any reasonably foreseeable deficiency of revenue aforesaid, the reserve fund may be drawn upon by the Ames Transit Agency to expand or enhance transit services.

(4) However, any considered expenditure of funds in the reserve account by the Ames Transit Agency, other than to offset a fee revenue deficiency, must be approved by a majority vote of the GSB Senate.

Some solutions may require modification of the above language to reflect the change(s). Currently, the GSB Trust Fund Balance is estimated to be at \$980,000 (see chart attached) at the end of the fiscal year (June 30, 2013). This balance includes the additional cost of up to \$238,500 for the 2012-2013 budget year as approved by the Special Student Fee and Tuition Committee to address additional ridership as a result of enrollment increases.

Possible Solutions

CyRide staff has previously identified three possible solutions to addressing disparity between the operating budget and GSB Trust Fund in times of growth. In addition, a fourth option has been developed at the Transit board's request and a second option for solution #3. All changes are identified in red in the document. The four options are as follows:

- **Solution #1** - Amend Increase into the Adopted Budget
- **Solution #2** - Cap the Trust Fund Balance
- **Solution #3** - Cap GSB Trust Fund Increase
- **Solution #4** - Small Automatic Increase Combined with Increased Service Estimate

Solution #1 – Amend Increase into the Budget

This solution increases service levels on existing routes in the Fall of each year through the budget amendment process by estimating the additional cost due to higher enrollment. Each November, CyRide amends its budget to more accurately reflect higher or lower budget revenues and expenses with five months of experience. As part of this process, based on September of that year's ISU enrollment numbers, an estimate of the impact that enrollment increases will have on CyRide expenses could be determined and then **automatically** amended into the budget as it does for other revenues like state funding or farebox revenues that can vary from the time the budget is adopted until the first five months of the budget year. The additional revenue could be transferred from the GSB Trust Fund. For example, if fall enrollment is 1,000 students higher than the previous year, the cost of additional buses/drivers could be estimated and additional funds from the GSB Trust Fund could automatically be transferred to CyRide's operating revenues in November of that year to address the additional expenses.

The advantages and disadvantages of this solution are as follows:

Advantages	Disadvantages
1. Provides an automatic growth mechanism.	1. Forces uneven splits between the three funding partners.
2. Growth conversations coincide with the budget process.	3. Requires Transit Board and GSB approval.
4. Provides funding when ridership increases occur.	

#2 – Cap the Trust Fund Balance

This solution caps the total dollars in the Trust Fund. The GSB Trust Fund balance could be capped at a pre-determined level (i.e. \$500,000) and any additional student fee revenue above this level would be retained in the operating budget for use to pay for

additional service needed due to enrollment increases. The capped level of the Trust Fund could be at a level that the Transit Board believes provides an adequate level to function as intended to “smooth out” student fees when enrollment decreases occur. With close to a \$1 million dollar trust fund currently, if this option was chosen, it could be reduced over a period of years to the capped level.

Advantages	Disadvantages
1. The GSB Trust Fund balance will remain at a level used to address enrollment variations only.	1. If GSB Trust Fund level is below the cap and enrollment increase occurs, the additional revenue may not be captured in the operating budget to address the additional service needed.
2. May provide funding when ridership increases occur if the increase is above the predetermine dollar amount.	2. Trust Fund balance will not grow large enough where students can pay for additional CyRide services/projects.

#3 – Cap GSB Trust Fund Increase

This solution controls the amount of funds placed in the Trust Fund each year.

Scenario #1 - As enrollment increases annually, the percentage of the GSB fees added to the Trust Fund could be capped at a predetermined level. For example, if increases in the Trust Fund were capped at no more than .5% increase per year, and ISU enrollment increased 3% over the previous year’s enrollment, .5% of the additional student fees could be transferred into the Trust Fund and 2.5% would remain in the operating budget to pay for additional services due to higher ridership. Likewise, if the 3% equated to \$267,000 above the three-party share, then the amount transferred to the Trust Fund could be capped at \$50,000 with \$217,000 remaining in the operating budget. This scenario **caps the percentage** of funds being added to the Trust Fund each year.

Scenario #2 - An alternate way of calculating this cap is to link it to the Full-Time Equivalent (FTE) ratio, which is the total fees divided by the fee per semester. This gives the number of FTE’s per semester and has averaged 1.88 for the past seven years. The following illustrates how this calculation could be made:

Category	Number	Explanation
2012-2013 Enrollment	31,040	
2013-2014 Adopted Budget FTE’s	58,355	31,040 x 1.88
2013-2014 Enrollment	32,000	Official Sept. 2013 Enrollment
2013-2014 Anticipated	60,160	32,000 x 1.88

FTE's		
Student Semester Fee	\$62.61	
2013-2014 Fees Paid	\$3,766,618	\$62.61 x 60,160
2013-2014 Budgeted Fees	\$3,499,053	
Actual Increase in Fees Paid	\$267,565	Based on 32,000 students
Budgeted Trust Fund Increase	\$154,566	Based on 31,040 students
Increase to CyRide Operating Budget	\$112,999	This amount would remain in the operating budget

This scenario **caps the dollars** being placed in the Trust Fund each year based upon the budgeted increase approved by the Transit Board each January.

Advantages	Disadvantages
1. Provides an automatic growth mechanism.	1. Trust Fund balance may not grow large enough to where students can pay for additional CyRide services/projects.
2. Increases both the Trust Fund and CyRide's operating budget to address current and future enrollment increases/decreases.	
3. Provides funding when ridership increases occur.	

Solution #4 – Small Automatic Increase Combined with Increased Service Estimate

This solution allows for a small automatic increase if enrollment increases, but then estimates CyRide's additional cost to provide service and, if this cost is higher, leaves the higher amount in CyRide's operating budget. For example, the cap on the automatic increase could be 1% if enrollment increased at least 1% that school year, based on Fall enrollment. In this example, if this 1% equated to \$50,000, then CyRide staff would need to estimate its additional expenses and if this was determined to be \$100,000 for example, would need to gain approval to incur and retain the additional \$50,000 in CyRide's operating budget.

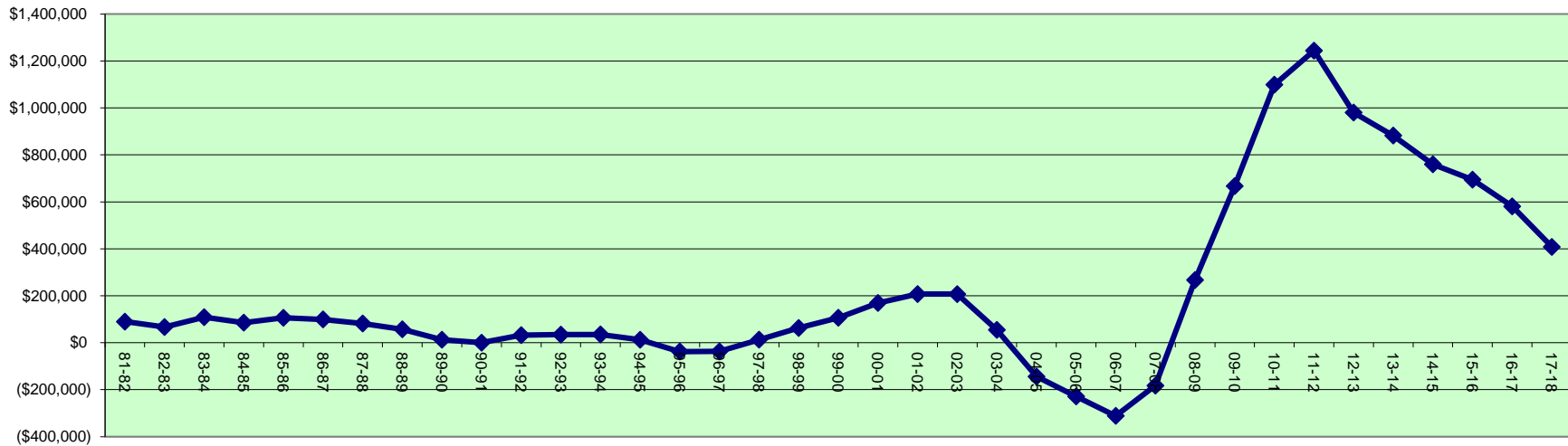
Advantages	Disadvantages
1. Provides an automatic growth mechanism.	1. Trust Fund balance may not grow large enough to where students can pay for additional CyRide services/projects.
2. Increases both the Trust Fund and CyRide's operating budget to address current and future enrollment increases/decreases.	2. The automatic growth mechanism will not serve a purpose if the additional expense estimate is higher.
3. Provides some funding when ridership increases occur.	4. Requires Transit Board and GSB approval.

CyRide staff is seeking board direction on the proposed solutions. CyRide staff has a meeting scheduled in early June 2013 with the ISU Special Student Fee and Tuition Committee to discuss the 2014-2015 proposed student fee and additional funding for the 2013-2014 school year. Board direction on methods to match additional CyRide costs to additional ISU students would aid in these discussions.

GSB Fees and Trust Fund Summary

CAPITAL & OPERATIONS	5.8% Actual 08-09	5.0% Actual 09-10	3.8% Actual 10-11	4.0% Actual 11-12	4.0% Adopted 12-13	5.0% Projected 13-14	5.0% Projected 14-15	5.0% Projected 15-16	5.0% Projected 16-17	5.0% Projected 17-18
Budgeted Revenue	\$2,760,265	\$2,898,278	\$3,008,413	\$3,204,263	\$3,499,053	\$3,674,006	\$3,857,706	\$4,050,591	\$4,253,121	\$4,465,777
Actual Revenue	\$3,023,287	\$3,290,692	\$3,432,423	\$3,339,076	\$3,649,053	\$3,661,575	\$3,822,663	\$3,977,490	\$4,132,317	\$4,287,144
Surplus/(Deficit)	\$263,022	\$392,414	\$424,010	\$134,813	\$150,000	(\$12,431)	(\$35,043)	(\$73,101)	(\$120,804)	(\$178,633)
TRUST FUND										
Opening Balance	(\$182,848)	\$267,129	\$667,188	\$1,099,162	\$1,244,080	\$980,495	\$882,494	\$760,106	\$694,606	\$580,748
Interest	\$806	\$7,645	\$7,964	\$10,105	\$13,200	\$10,600	\$8,825	\$7,601	\$6,946	\$5,807
					(\$160,000)					
Payments	\$186,149			Next Bus	(\$266,785)	(\$96,170)	(\$96,170)			
Transfers In (Out)	\$263,022	\$392,414	\$424,010	\$134,813	\$150,000	(\$12,431)	(\$35,043)	(\$73,101)	(\$120,804)	(\$178,633)
Ending Balance	\$267,129	\$667,188	\$1,099,162	\$1,244,080	\$980,495	\$882,494	\$760,106	\$694,606	\$580,748	\$407,922
% of Budgeted Revenue	9.7%	23.0%	36.5%	38.8%	25.0%	23.4%	19.2%	17.1%	13.7%	9.1%
Increase	\$3.85	\$2.41	\$0.00	\$0.00	\$0.00	\$0.00	\$2.64	\$2.64	\$2.64	\$2.64
Total Fees	\$60.20	\$62.61	\$62.61	\$62.61	\$62.61	\$62.61	\$65.25	\$67.90	\$70.54	\$73.18
Increase %	6.8%	4.0%	0.0%	0.0%	0.0%	0.0%	4.2%	4.1%	3.9%	3.7%
Student Semester FTEs	50,221	52,559	54,822	53,331	58,282	58,482	58,582	58,582	58,582	58,582

GSB Trust Fund Balance

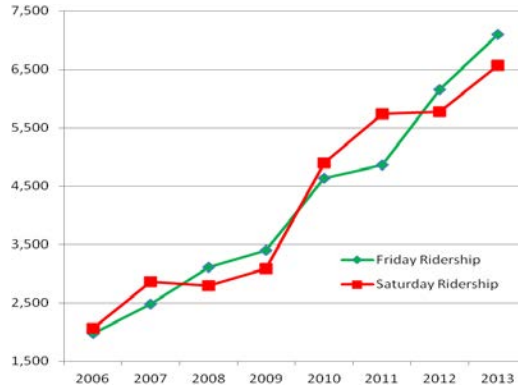


Transit Director's Report

May 2013

1. VEISHEA MLX Ridership

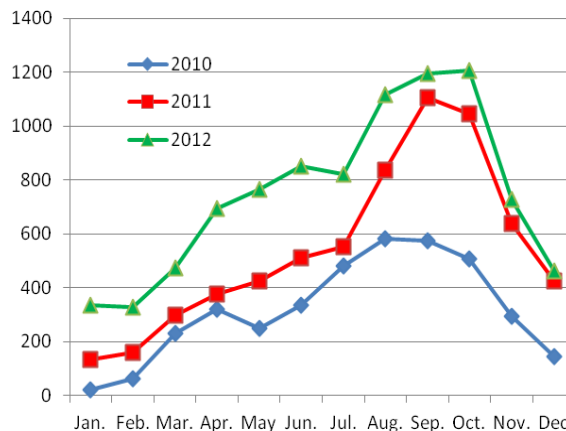
CyRide's Moonlight Express ridership, which operates from 10:30 pm – 2:30 am Friday and Saturday evenings during VEISHEA, continues to grow each year as evidenced by the table below.



CyRide has increased the number of buses and drivers needed to provide service as well as now begins Moonlight service earlier on VEISHEA Friday and Saturday nights to accommodate the number of riders at CyRide bus stops. In total, the 2013 VEISHEA Moonlight Express weekend ridership was 14.7% higher than last year.

2. Bike Rack Usage Update

CyRide completed installation of bike racks on its entire fleet in late 2008. Since that time, usage of the bus bike racks has increased significantly. In calendar year 2011, the largest increase was during the fall semester; however, in 2012 the most dramatic increase was over the spring and summer semesters. In total, the year-after-year increase has averaged around 70% per year.



3. Intermodal Waiver Request

The Federal Transit Administration (FTA) will allow CyRide to request a waiver from the September 30, 2013 deadline to spend all TIGER grant funds for the Ames Intermodal Facility project. With several key components of the project yet unpaid, CyRide believes that it would be best to request an extension of the deadline. While CyRide anticipates completion by September 30, 2013, filing of a waiver will allow unforeseen delays to not have a negative financial impact on CyRide. If a waiver is not filed and approved and if all funds are not spent by this deadline, the remaining dollars reserved for these expenses could be de-obligated and CyRide would have no funds to pay final expenses. The waiver requests an extension through June 2015 to utilize all funds.

4. Intermodal Tenant Leases

CyRide staff is working with ISU and the City of Ames legal departments to finalize the Jefferson and Executive Express contracts beginning July 1, 2013. Changes to the insurance text have required additional time to process these agreements. The Jefferson contract term will be for three years with the Executive Express agreement for one year. It is anticipated that a special conference call meeting will need to be scheduled when these documents are completed.

5. Direct Recipient Letter

Per FTA direction as a result of a change in MAP-21's definition of a designated recipient, CyRide will become a **direct recipient** of grant funds. This change requires CyRide to apply for grants through the Iowa DOT or gain approval for funds to be provided directly to CyRide. To document this change, the City of Ames Attorney must send a letter to the President of the Transit Board of Trustees with the designation change. This requirement is currently being reviewed by the City Attorney and will be provided at the Transit Board meeting, if it is received prior to the meeting. Future grant resolutions will reference this direct recipient status.

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
June						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
				Transit Board Mtg. 5:00pm		
30						

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
				1	2	3
August						
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
	ISU in Session				2013	