

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

August 28, 2013

The Ames Transit Agency Board of Trustees met August 28, 2013 at 4:00 p.m. in the CyRide Conference room. Vice President Drenthe called the meeting to order at 4:05 p.m. Present: Trustees Murrell, Madden, Drenthe and Goodman. Absent: Trustees Rediske and Schainker.

**APPROVAL OF MINUTES:** Trustee Madden made a motion to approve the June 27, 2013 minutes and seconded by Trustee Goodman. Trustee Drenthe made a correction to remove Trustee Goodman's name from the June 27, 2013 minutes, as Trustee Goodman was absent. (Ayes: Four. Nays: None.) Motion carried to approve June 27, 2013 transit board minutes as amended by Trustee Drenthe.

**PROPERTY INSURANCE:** Director Kyras introduced Dave Eaton, City of Ames Risk Manager, and guests, Tom Brack and Jim Peers with Willis Insurance Brokerage. Director Kyras noted that the agenda item required no action and that it was for information purposes only to provide background information to new transit board members and to ensure that the transit board was comfortable with CyRide's current coverage offered with Chubb Group, the City's insurance carrier.

City of Ames changed its insurance carrier from FM Global to Chubb Group and at the beginning of the 2012-2013 fiscal year, Dave Eaton, City of Ames Risk Manager and Director Kyras, reviewed the new policy to ensure CyRide had adequate coverage. Director Kyras explained that through this review, it was discovered that buses over five years of age would be replaced at actual cash value as opposed to replacement value. Since CyRide's fleet is older, with some buses up to 23 years old, this would leave CyRide with considerable exposure. She further explained that the cash value of older vehicles is usually less than \$5,000, however to replace them could be as high as \$100,000. As a majority of the fleet is over five years of age, this would leave the three-parties funding CyRide with a significant out-of-pocket cost.

A table provided showed that the actual gap in coverage would be approximately \$3 million dollars. From the transit board discussion last fall, Director Kyras and Dave Eaton were asked to work with the Chubb Group to determine if coverage could be purchased for the entire fleet at replacement cost value.

Trustee Rediske and Schainker arrived at 4:10 p.m.

Dave Eaton explained to the transit board that property insurance that covered vehicles parked within the property was not a typical property insurance coverage and as a result were having a difficult time getting the carrier to quote additional insurance. Mr. Eaton explained that CyRide developed a schedule of values for the buses which aided Chubb Group in determining if they could write additional insurance. The end

result is that Chubb Group will cover all vehicles through 12 years of age with a replacement value policy at a lower premium cost for 2013-2014 than was paid in the 2012-2013 fiscal year, resulting in more insurance coverage at a lower cost. Buses over 12 years of age will be covered at actual cost value. This will leave CyRide with a potential uncovered risk of \$1,029,000 if the entire fleet were lost. This risk would need to be covered by the local funding entities.

Transit board members inquired on what the City of Ames policy is for the other fleets within the City of Ames. David Eaton said other City of Ames fleets were insured for replacement value and do not carry physical damage coverage; prior to July 2012, there was no coverage.

Director Kyras asked transit board members if they were comfortable with the current coverage and the level of potential risk. The general consensus was that the coverage was an improvement over the previous year's insurance.

Trustee Drenthe turned the meeting over to President Rediske.

**TITLE VI SERVICE STANDARDS:** Director Kyras stated that this item on Title VI federally-required performance standards was a follow-up to the January, March and June meetings. She further explained that this federal regulation requires transit systems to fairly provide services and amenities to the entire community, regardless of race, color, or national origin, including individuals limited in their English proficiency. She indicated that CyRide staff had been working with the transit board since the beginning of the year on the standards and that one criteria remained, service availability. This criterion measures the percent of the population that will be served within  $\frac{1}{4}$  of a mile of a bus route. She explained that the City of Ames GIS staff had mapped the population of Ames that lived a quarter mile outside of CyRide's bus routes, and from their analysis, CyRide is currently serving 91% of the community. The performance standard previously recommended to the transit board was 85%; therefore, she indicated that, based on this information, staff would continue to recommend this performance standard.

She indicated that no action was needed on this performance measure as it could be addressed within the next agenda item approving the entire Title VI Plan, which included the performance standards.

**TITLE VI PLAN:** Director Kyras introduced Shari Atwood, CyRide's Transit Planner, who developed the Title VI Plan.

Shari Atwood informed the transit board that the FTA requires CyRide to document its compliance by submitting a Title VI Program to their FTA Regional Civil Rights Officer (RCRO) once every three years. The Authorizing Resolution authorizes the approval of policies within the document and the submittal of the Title VI Program and would need to be approved by the Ames Transit Agency Board of Trustees with an authorizing resolution, signed by the President of the Board of Trustees.

Shari Atwood highlighted CyRide's current policies and procedures as it relates to Title VI service issues and documented in the plan handed out to transit board members as follows:

- Service Standards and Policies were previously discussed and documented.
- The Certifications and Assurances are signed by Director Kyras and the City of Ames Attorney and submitted annually.
- Title VI Notice to the Public (list locations publicized)
- Title VI Compliant Form & Title VI Policy & Procedures – placed on CyRide's website
- List Transit-Related Title VI Investigations, Complaints and Lawsuits – Two were filed in the last three years. These were closed with no findings.
- Public Participation Plan, including outreach methods to minority and LEP populations
- Language Assistance Plan of how CyRide Provides Assistance to Limited English Proficient Persons
- Table on Non-Elected Committees/Councils; Description of Process To Encourage Minority Participation – these do not apply to CyRide
- Title VI Equity Analysis of Facility Construction
- Board Minutes/Resolution Illustrating Board Review/Approval of Title VI Program

Director Kyras asked for the approval of the Title VI Plan unless the transit board requests a change, which would require action to be deferred until the September meeting.

Trustee Murrell made a motion to approve CyRide's Title VI Plan for submission to the Federal Transit Administration to meet the October 1, 2013. Trustee Madden seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

**CYRIDE FACILITY CONSTRUCTION CHANGE ORDER:** Director Kyras reported that the facility construction was moving along slowly and that the project had met with a number of challenges with weather and unforeseen utilities. A log showing the change orders that have been approved was attached for board members to review. She indicated that Change Order #8 required Transit Board and City Council approval and that the Council had approved the Change Order the night before, contingency upon the Transit Board approval at this meeting. She explained that the change order was for changing the fuel-dispensing configuration from a single source to a dual source. Unfortunately, it was identified as a single source in the bid specifications and CyRide currently has a dual source and would be reusing this system. The cost associated with changing pipes to accommodate the dual system was \$9,780.

Director Kyras said Change Orders #1-8 totaled \$133,175.85 out of a \$362,120 contingency budget. She also notified the transit board that with additional change

orders anticipated with the project that the project would be over budget, but that CyRide had approximately \$500,000 additional construction dollars that could pay for this overage. She indicated that she would update the board on the anticipated budget in future meetings.

Trustee Madden made a motion to approve change order #8 to change to a dual fuel-dispensing configuration in the new bus storage addition. Trustee Drenthe seconded the motion.

Trustee Schainker asked where the responsibility lies for this error and if Henkel should pay for Change Order #8. Director Kyras said that had the dual system been included in the bid documents, that the cost would have been higher so this was not a cost that Henkel would be responsible for.

President Rediske called for the vote if there were no further discussion. (Ayes: Five. Nays: None.) Motion carried.

**BUS FLEET STATUS:** Director Kyras discussed ISU's increasing enrollment and CyRide's 20% ridership increase on the first day compared to the first day of classes in 2012. CyRide is fortunate to have a newer fleet and to have kept the best of its old vehicles for a contingency fleet in case of unforeseen emergencies or ridership increases. With the enrollment increase, these vehicles will be used in daily service, leaving CyRide without a contingency fleet and vulnerable to future unforeseen events.

With enrollment predicted to continue to increase, CyRide will need to begin the process to secure additional buses to be used for the 2014-2015 school year. With no federal capital grants available, CyRide will need to purchase used vehicles to meet this need. CyRide has used this approach in the past, purchasing 12-18 year old vehicles from California, Iowa City, Des Moines and Sioux City. Director Kyras requests board approval to use most of the excess dollars placed in this year's closing balance (estimated at \$127,000) to explore the market for used buses, to purchase and refurbish them in time for the fall 2014 semester.

Director Kyras proposed using \$72,000 in additional 2012-2013 dollars added to previous year's closing balance and an additional approximately \$55,000 of federal funds charged for staff time to the Tiger grant for Intermodal Facility project management services, for a total of \$125,000 to locate used vehicles. If growth does not occur, CyRide would have a contingency fleet. If it does grow, CyRide would have the resources to meet this higher demand. She indicated that the closing balance would remain at approximately \$873,000 pre-audit.

CyRide staff is attempting to think ahead and start the conversation with the transit board to meet CyRide's obligation as service levels increase in the near future. Revenue growth due to increased enrollment will automatically increase the GSB Trust Fund and not CyRide's operating or capital budget. Trustee Rediske explained that there is the potential to talk with the GSB and for them to be a 100% funder to maintain the

student's service level. Director Kyras explained that currently bus routes are at or over-capacity. She provided the board with first day ridership numbers: Orange route is up 29% and up 23.1% on average on local routes. Last year CyRide operated 64 buses at one-time and this year has increased to 68 vehicles.

Director Kyras requested this conversation begin now so CyRide's personnel has time to identify possible buses, purchase and deliver them as well as have them refurbished by the fall 2014 semester. She indicated this process will take approximately one year.

Trustee Goodman asked if there was extra capacity on other routes and if there was a possibility of taking advantage of this extra capacity. Director Kyras said it is more of a peaking issue and is the reason CyRide needs the additional vehicles to pickup up passengers at the bus stops and not leave anyone. Previous years, the Red route had five extra buses on one trip and this year it has seven. Trustee Goodman was comfortable either way.

Trustee Madden asked if changing the starting times for classes would help to spread the congestion and would have less peaking. Further, he shared that there has been discussion among Iowa State University personnel about closing the gates for deliveries into Campus during certain hours on Osborn Drive to reduce the congestion. These suggestions would change times when employees come to work; however, Trustee Madden questioned whether the community was willing to adjust to these measures. Trustee Madden shared that one option that had been proposed was to change Osborn Drive to a one-way street. Director Kyras told the transit board that changing CyRide routes to one-way on Osborn Drive would increase operating costs because CyRide would have to loop, going one direction, and this would require additional buses.

Trustee Murrell agreed CyRide needs to purchase additional buses.

Shari Atwood further explained that in addition to the contingency fleet issue that the Federal Transit Administration recommended that transit systems maintain a 20% ratio of buses in service to spare buses to ensure service quality. She indicated that for the 2013-2014 budget year, CyRide would be operating a 3% spare ratio.

Director Kyras asked for direction from the transit board to move forward. Trustee Madden made the motion to authorize the transfer of \$125,000 from CyRide's operating closing balance to the capital budget for the purchase, transport, and refurbishment of 5-6 used buses. Trustee Murrell seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

Trustee Murrell said there is the need for the Government of the Student Body to have better information and data: riders, west town property tax growth, a thoughtful analysis on how many people get on, how many free from last year to this year. He indicated his support for transit and suggested further information would be helpful. Director Kyras said ridership is the highest when weather turns colder – January and February are the highest ridership months.

Trustee Goodman left the meeting at 5:05pm.

**QUARTERLY OPERATIONS REPORT:** Director Kyras provided a quick overview of the end of the year and quarter highlights. Ridership was 2.5% higher, just under 5.9 million passengers.

- Passengers were higher
- Farebox revenue was lower
- Operating expenses higher, with fuel the main reason
- Expenses were 11% higher
- Accidents were lower
- Damage to buses was lower
- Complaints were lower
- Drivers arriving late and not being available to complete their runs was mixed
- Dial-A-Ride had a challenging year with ridership down, fewer riders and farebox revenue lower. A survey was distributed to Dial-A-Ride passengers and will arrange to have a conversation with HIRTA to see what is happening
- Moonlight Express ridership numbers were lower, mostly because the Iowa and ISU football game was in Iowa City this past year.

**TRANSIT DIRECTOR'S REPORT:** Three things to report:

- Midwest Alliance. Iowa, Missouri, Kansas, and Nebraska are developing a platform to improve the capital funding for bus systems, which resulted in the loss of funding in the last federal transportation bill, MAP-21, with no capital dollars for vehicles. The support is to increase additional revenue for public transit to maintain and improve the infrastructure and to restore what transit capital funding and put transit back to stable capital funding.
- Transit advertising update. Two new demonstration projects on the interior of CyRide buses are handlebar advertising and Michelangelo signage. There will be six handlebar ads per bus on five buses for a three-month period. Houck Advertising recommended the Michelangelo Advertising on the ceiling on the interior of the bus. One sign will be placed in the same buses as the handle bar advertising to determine their impact on customers. ISU Dining Services will be the client displaying their advertisement.
- Fuel contracting update. In January of 2013, the transit board approved a four-month contract, August through November 2013. While preparing the paperwork to bid the contract, fuel prices increased and CyRide staff decided to wait until November to bid. Currently, CyRide is not under a fuel contract, but will start preparation of a new bid for November.

Trustee Murrell asked about the accident involving the ISU student and the CyRide bus. Director Kyras updated the transit board on the status of the accident on campus.

Next Transit Board meeting is scheduled for September 23, 2013 at 7:30 a.m. in the CyRide Conference room.

Trustee Murrell made a motion to adjourn the meeting and the motion was seconded by Trustee Schainker. (Ayes: Four. Nays: none.) Motion carried. Meeting adjourned at 5:40 pm.

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President, Dan Rediske

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Recording Secretary, Joanne Van Dyke