

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

October 30, 2013

The Ames Transit Agency Board of Trustees met on October 30, 2013 at 4:00 p.m. in the CyRide Conference room. As a quorum was not present, Director Kyras suggested that President Rediske move to the Transit Director's Report, which does not require action by the board, to move the meeting forward until a quorum could be established.

Director Kyras highlighted topics from the Transit Director's report.

Trustee Madden arrived at 4:10 p.m.

Quorum was established and the meeting was called to order at 4:15 p.m. by President Rediske. Trustees present: Goodman, Madden, Rediske and Murrell. Absent: Trustees Drenthe and Schanker.

APPROVAL OF MINUTES: President Rediske asked for any additions or correction to the September 25, 2013 transit board minutes. Hearing none, Trustee Madden made a motion to approve the September 23, 2013 minutes as presented. Trustee Goodman seconded. (Ayes: Four. Nays: None.) Motion carried.

CYRIDE FACILITY CONSTRUCTION CHANGE ORDER: Director Kyras explained that Change Order #23 was for a connection from ISU's cooling tower to CyRide's facility and totaled \$72,355.11. She further explained that it required transit board and City Council approval.

Director Kyras' change order log provides the cumulative dollar amount to-date for the project's change orders and the project's contingency budget of \$362,120. With approval of change order #23, the remaining contingency funds available are \$1,916.02. The facility expansion will be approximately \$120,000 over budget; however, she explained that CyRide has approximately \$445,000 available to address these project costs.

Trustee Madden motioned to approve Alternative #1, CyRide facility change order #23 totaling \$72,355.11 for payment to Henkel Construction. Trustee Murrell seconded the motion.

Trustee Goodman asked about the change orders following #23 as indicated on the log. Director Kyras explained the three change orders after #23 will be approved by CyRide or city staff following approval of change order# 23 by the City Council. A majority of the change orders will be completed within the next two to three weeks as a majority of the underground work will be complete and the project in general will be close to

completed. The remaining risk would be for work not yet completed on the west end of CyRide's site.

President Rediske called for the vote to approve Change Order #23 (Ayes: Four. Nays: None.) Motion carried.

FUEL CONTRACTING: Director Kyras recapped when the transit board previously had entered into fuel contracts explaining the results of the four different occasions. She stated that the purpose of entering into these contracts were two-fold - to stabilize the fuel budget line item and possibly realize a savings. She indicated that both were accomplished through the four contracts and that, in total, a financial savings of \$8,186.08 was realized. In January of 2013, the transit board approval entering into a new fuel contract, however, before the fuel was able to be bid, prices increased and, as a result, CyRide did not enter into a fuel contract as the budget would not be able to support the bid prices.

Director Kyras told new transit board members that a fuel contract guideline limit was established by CyRide staff and board members to commit to no more than 70% of its annual fuel usage - 210,000 of the approximately 320,000 gallons. The remaining 30% is purchased at a fixed priced + add/deduct on the market rate at the time bids are received.

CyRide staff and the City of Ames Purchasing Department have developed a plan that does not violate city or state purchasing requirements, but allows decisions to be made immediately when bids are received as is required by this type of contracting. This quick decision does not permit time for approval by the transit board or the City Council; therefore, a not-to-exceed amount approval allows for these immediate decisions to be made.

CyRide is requesting that the transit board enter into contracts for up to twelve, two-month periods extending through December 2016. This is a longer contracting period as CyRide usually enters into six or seven contracts, not 12. She further explained that CyRide would not request contracts for the May thru August time period each year as CyRide is unable to use the minimum quantity of fuel over summer months. She explained that under the recommended proposal, CyRide would lock in up to 504,000 gallons at no more than \$3.50 a gallon. In preparing for the bid, she indicated that in the later contracts, it was possible that CyRide could purchase fuel as low as \$2.78 a gallon, which would be a large savings for CyRide and stabilize future budgets.

CyRide staff is recommending the approval of twelve, two-month fuel contracts, but has provided another alternative for a shorter time period, in case the board is not comfortable with the lengthier contract. A Request For Proposal will be prepared for the fuel contract and will be brought back to the transit board in December or January with the results.

Trustee Murrell made a motion to approve Alternative #1, approving up to twelve, two-month fuel contracts at a total price not-to-exceed \$1,764,000 and accept fixed rate + add/deduct for the remainder of CyRide's fuel. Trustee Madden seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

2014-2015 OPERATING AND CAPITAL BUDGET NEEDS: Director Kyras requested transit board direction in identifying alternative budget options for consideration at the December transit board meeting. To help with that objective, Director Kyras gave a presentation providing history, statistics, highlights, and potential service increases to address ISU's record enrollment as follows.

- History shows the previous record ridership at 4.7 million in 2003-2004, then in 2008-2009 another record ridership was achieved and each year thereafter CyRide has achieved a new record high. She indicated that the 2014-2015 ridership is estimated to be 6.6 million. Over a ten-year period, CyRide will provide an additional 2,426,792 annual rides, which has required adding 34 buses to the fleet.
- ISU enrollment has grown 30.5% since 2006-2007; however, CyRide ridership has grown 50.1% in the same time period. She indicated that 91% of CyRide's rides are generated by students and that for each student enrolled at ISU, 170 rides are generated. Enrollment projections indicate an additional 1,141 more students next year, then slowly decreasing to 150 additional students each year over a ten-year period.
- CyRide's total operating budget is approximately \$8.7 million with local revenue shares as follows: ISU Administration 10.6%, \$658,561; ISU Parking Division (Orange route) 5%, \$300,650; 4.90%, City, 24%, \$1,510,691; and GSB, 60.1%, \$3,726,491.
- Student fee are currently \$62.61, which has not changed over the last four years. Conversations with the Student Fee Committee last summer centered around increasing this fee to \$71.24 by the 2017-2018 budget year. The GSB Trust Fund will grow to \$1,683,040 by 2017-2018. The Fee Committee's goal is a \$500,000 balance; which will allow \$300,000 more in services each year over the next four years.
- CyRide has experienced transitional phases: rural to urban from 1982-2003 at the 1 to 3 million ride level, transit intensive from 2003 – 2013 with 3 – 5.5 million rides, and transit culture from 2013 + with ridership between 6.5 – 7.5 million rides. Additionally, CyRide's bus fleet will be between 90 – 100 vehicles, will have employment of 175 – 200 people and will require a budget of \$10 – 12 million.
- Comments received regarding service level needs were: buses too full, passed up by buses, trip is longer, need more buses at certain times of the day, specific requests for service.

In response to current and anticipated ridership, CyRide staff developed five potential service proposals. Without services #1-#4 below, CyRide will not be able to maintain its current quality of service.

- #1 - Current service level plus 10 more hours/weekday to carry the additional 1,141 students predicted - \$81,012.
- #2 – Blue route – Sundays (Wal-Mart) Option #1 plus adding one additional bus on the Blue route between 11:00 a.m. and 5:00 p.m. from Friley to South Duff, operating every 20 minutes. Currently buses are consistently exceeding 60 riders per bus, creating overcrowding and on-time issues -\$9,834.
- #3 – Brown/Green route – Weekdays – Option #2 plus one additional bus would be added on Green and two on Brown between 11:30 a.m. and 6:00 p.m. Brown route ridership has increased 45% in 3 years due to Wallace/Wilson occupancy and new apartments north of Bloomington Rd., creating overcrowding and on-time performance issues. The green route is experiencing similar issues. This would provide connectivity for Brown route transfers - \$188,472.
- # 4 – Option #3 plus increasing the frequency of weekday service and adding evening service for Gray route from campus to S. Duff – school year only. CyRide receives the most service requests for this area and with the addition of 720 beds at the Copper Beach development for Fall 2014, need additional service of one bus between 7:00 a.m. to 9:00 p.m. each weekday, improving service frequency to 40 minute service weekdays, 60 minute evenings - \$113,253.
- #5 –Option #4 plus a new State Street route (school year only). The Red route operates from West Ames and has experienced a 54% increase in the last six years with as many as seven extra buses on one trip. With future development on Maricopa and State Street, ridership for the Red route could be divided between two routes with current Red route operating every 7 – 40 minutes and the new State Street route every 30 minutes - \$162,400.

Other service level needs requested by customers include: DMACC evening service, Brown route evening service – Wessex Apts., Cardinal Route for summer, Cardinal route for Friday evenings, Pink route midday service to Barilla, and Purple route, midday service.

With increased enrollment/ridership, maintenance and operational staff have been stretched to maintain buses and train drivers. Both the mechanics and daily bus servicers (lane workers) are maintaining two to three times as many buses as is the industry standard. Additionally, a full-time trainer is needed in the summer months to hire and train more drivers for the fall semester. The total cost of adding 2 full-time mechanics, 2 part-time lane workers and a summer Trainer is \$124,757.

CyRide will also have capital needs. Director Kyras explained that the 2014-2015 capital needs included:

- Local match to fund the last three new buses in a grant
- Purchase five used buses
- Replace one support vehicle

- \$170,000 to modernize the building - rook and concrete
- Local match to further expand the bus storage area
- Replace computers
- Purchase smaller shop equipment,
- Improve bus stops - concrete, shelters

The total cost of these improvements is \$793,770 in local funding.

Director Kyras and CyRide staff met earlier in the week with Trustees Madden and Murrell as well as GSB and GPSS representatives. This group indicated that they recognize the impact that enrollment has had on CyRide, that they support existing levels of service and that they support funding Budget Option 3 and willingness to discuss funding options.

Director Kyras asked if the transit board members supported including additional services to meet the anticipated enrollment in CyRide's baseline service for next year. The consensus of board members present is that they supported this included in the baseline option (#1).

She asked which budget option #1 - #4 they would like for staff to develop further and requested direction on how to divide the cost between the three local funding partners. She provided three funding options as described in the board packet.

Director Kyras indicated that both staff, and those present at the GSB/GPSS meeting, believe that Option #4, which includes the new State Street route, was a lower priority than the services included in the other three options as the middle school development was delayed.

Trustee Goodman indicated that the Sunday Blue route service was a lower cost option with strong justification. Director Kyras also shared with board members that fuel prices were lower and would help keep expenses lower in the budget.

Trustee Goodman asked how the original percentage funding shares began. Director Kyras indicated that the original percentage split between the three parties had been negotiated. Tom Davenport, CyRide's Transit Coordinator indicated that the shares were originally developed the 1980's and then modified when the students began the fare free program in 2002.

There was additional conversation on expanding the facility and whether this should occur at CyRide's current site or a second location. Trustee Madden shared that Iowa State had purchased land on State Street south of Hwy 30 where CyRide had previously considered for a second site and that a storage building for CyRide on this site could be considered by ISU and CyRide.

Trustee Goodman discussed decreasing student demand on CyRide. Director Kyras indicated that decreasing transit demand would impact the street system and parking in the community

as students would choose other motorized means to get to and from campus. She indicated that it was not a matter of decreasing demand, but determining what mode of transportation the trips should use. Trustee Madden discussed other possible methods to even out the demand as opposed to the "peaking" demand currently occurring. Other methods discussed included staggering class times, Saturday and more evening classes, eliminating stops.

Trustee Goodman supported trying to find ways to reduce the number of times student travel to/from campus, including the introduction of a 10 cent fare in addition to student fees paid for CyRide service. He raised a concern about negotiating funding increases each year and suggested having a cost model that addressed how the three partners shared costs.

Trustee Madden shared with the other board members that originally the university funded bus service for Vet Med. He indicated that the students funded Moonlight Express. He also shared a concern regarding bus congestion on Osborne Drive. Trustee Madden mentioned students drive from the Grove Apartment complex to park and ride free.

Transit board members agreed to have staff further develop Options #1 - #3 with students paying 100% for the service changes and sharing the costs for staffing and capital modifications.

Trustee Rediske mentioned that students that live off-campus also pay property taxes and would be interested in determining how much this contributes to property taxes for the city. He also mentioned that students do not want to pay for all of CyRide's costs as the community will benefit from increased services as well.

DATE OF NEXT MEETING: Wednesday, December 4 at 4:00 p.m.

Tom Davenport, Transit Coordinator, will prepare budget schedules and Director Kyras will mail those to transit board members to review before the transit board meeting.

Meeting adjourned at 5:25 p.m.

Daniel Rediske, President

Joanne Van Dyke, Recording Secretary