

AMES, IOWA

December 4, 2013

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

PUBLIC COMMENTS: President Rediske asked the public in attendance to stand, introduce themselves, and address the transit board on their subject matter.

- Dale Dyvig, owner of Dyvig's Pet Shop, Ames, shared that he was shocked by the ad displayed on two CyRide buses and expressed his concerns. He further asked the board if there was anything they could do or provide a solution as to what could be done to eliminate ads of this nature that he considered as slander.

Director Kyras shared with Mr. Dyvig and transit board members that the advertisement met CyRide's advertising policy requirements adopted by the Transit Board of Trustees in March of 2013. She further stated that the policy contains standard industry language regarding the content of permissible ads and that this content is subject to First Amendment Rights, even though some individuals might not care for an ad's content.

Mr. Dyvig asked if he could place an ad on the bus that reads do not ride the bus. Director Kyras responded that this was possible; however, one of the advertising policy requirements was that the ads could not contain false, misleading, or deceptive information.

Trustees Madden and Murrell arrived at 4:10 p.m.

Trustee Goodman acknowledged Mr. Dyvig's concern and recognized that the issue could not be resolved at the meeting as it required legal interpretation. Trustee Goodman shared that if the ad was false or misleading, it could violate the policy, but shared that he was not sure how that could be determined unless the ad was blatant. Director Kyras indicated that this was the first challenge of an advertisement since adoption of the new policy and indicated that she would need legal guidance on how to proceed. Trustee Goodman indicated that it would be desirable to have a standard that could be applied in all cases. Director Kyras indicated that as each advertisement is unique, it would most likely need to be determined on a case-by-case basis.

Trustee Goodman made a motion to have Director Kyras discuss the advertising policy with the City of Ames Legal Department to evaluate and determine what is false, misleading or deceptive and report findings to the transit board at the next meeting. Trustee Schainker seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

ISU Student Michael Plantenberg, who has been a resident of the ISU Towers complex for two years, spoke to his concerns about bus service on the Brown route ending at 9:16 p.m. He indicated that many students are unable to return to the towers via bus and have to walk from campus to the towers complex. Mr. Plantenberg surveyed 35 residents of the Towers and found 43% of its residents have a safety concern walking to the Towers after night exams, labs, or studying on campus and would like to request the Transit Board operate service until 10:15 p.m.

Richard Martinez shared that he was an ISU Freshman and Towers resident. Mr. Martinez indicated that he was satisfied with the bus system, but with the increasing enrollment, stated that the Brown North in the morning from Wallace and Wilson was running late, congested and late getting students to classes between 8:00 and 10:00 a.m. He indicated that additional buses would be helpful. He also shared that the afternoon 6A Brown ridership is served pretty well, but stated that he also believed that the 6A Brown route should be extended until 10:15 p.m. Monday through Thursday for towers residents. He also stated that the bus shelter at the towers stop needed repair as the concrete is very poor.

APPROVAL OF MINUTES: President Rediske asked for any additions or correction to the October 30, 2013 transit board minutes. Hearing none, Trustee Madden made a motion to approve the October 30, 2013 minutes as presented. Trustee Schainker seconded. (Ayes: Six. Nays: None.) Motion carried.

FLOOD INSURANCE: Director Kyras provide background information on CyRide's 2010 flood claim of \$819,507 with a \$25,000 insurance deductible and introduced David Eaton, City of Ames Risk Manager, to answer any questions the transit board would have regarding possible changes to CyRide's flood insurance.

Director Kyras explained that after CyRide's 2010 claim, the deductible was raised to \$500,000. Currently CyRide is paying for \$6.5 million in coverage, divided between three layers – National Flood Insurance Program for the first \$500,000 or the deductible amount, \$1 million on top of this first \$500,000 by Chubb Group and a \$5 million excess policy through RSUI. The question posed to the Transit Board by David Eaton was whether the excess policy should be dropped in light of the flood protection measures that were underway and should be in place by next spring. This change would save CyRide \$20,050 in the 2014-2015 budget. Director Kyras shared that staff recommended continuing the excess policy for at least one more year as the new flood protection measures had not been tested.

Trustee Madden asked if CyRide meets FEMA eligibility requirements if this coverage was dropped and if this coverage extends to other losses besides flooding, such as tornadoes, or other types of losses not specified. Mr. Eaton said that he would need to check on this, but he believed that CyRide would still be eligible for FEMA funds.

Trustee Madden made a motion to keep the property flood insurance one more year and revisit at that time. Trustee Schainker seconded the motion. (Ayes: Fives. Nays: None.) Motion carried.

CYRIDE FACILITY CHANGE ORDER: Director Kyras explained that there is one more change order (#31) that requires transit board and City Council approval. Construction on the west side of the facility has been challenging. To construct the specified piping product to connect ISU's cooling tower water to CyRide for heating purposes would require ISU's cooling towers to be shored up resulting in a large change order request. The Architectural firm and contractor have developed an alternate solution requiring a lower change order of \$42,412.24. She indicated that the project's contingency budget was \$362,120, and that change order #31 would exceed this contingency amount by \$77,842.02. She further indicated that there was sufficient grant funding to cover unanticipated cost increases. After change order #31 and other anticipated changes, she believed that there would still be a \$445,724 available for capital expenditures.

Trustee Madden made a motion to approve alternative #1 to approve the CyRide Facility Change Order #31 totaling \$42,412.24 for payment to Henkel construction. Trustee Goodman seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

FIVE YEAR CAPITAL PLAN: Director Kyras explained CyRide's capital planning process indicating that capital improvement projects were identified and placed in the City of Ames Five Year Capital Improvement Plan each January. She then detailed the first year of the plan, which includes projects for the 2014-2015 budget year:

- Local match for new buses in the State of Good Repair Grant, \$207,750
- Used buses, purchase at least five used buses every year, \$125,000
- Administrative vehicle, replacing the Impala, \$30,000
- HVAC replacement to replace 3 of the 10 units, which are 25+ years old, \$60,000
- Concrete replacement at the east side of the property, \$75,000
- Architectural and engineering services to develop plans for pit replacement in the original section of CyRide's storage building, \$5,000
- Bus storage expansion for the six buses + five used buses to be purchase in 2014 still parked outside after the new bus storage facility is completed in the spring. CyRide staff will begin visiting with the transit board in February 2014 as the transit board will need to determine how best to meet this growth, \$200,000 in local match for possible state or federal grant.
- Computer replacement for four computers, \$12,000
- Shop equipment (list provided in the board packet), \$37,000
- Bus stop improvement, repair at current bus stops and add one or two new shelters, \$9,200 (local match portion)
- Security camera replacement on 5 buses, \$45,000

- NextBus annual operating/warranty, \$96,170 and is the second year of three years under the GSB funding.

Trustee Goodman asked how transit systems apply for the legislatively-appropriated \$1.5 million dollars that have been available statewide for transit improvements and whether these funds can be used for other purposes. Director Kyras explained that these funds are for vertical infrastructure, which could not include transit shelters. She further indicated that with the local match requested, an maximum of \$600,000 in state funds could be requested.

Director Kyras then briefly detailed the capital project contained in the 2016-2019 time period:

- Five buses per year at \$125,000 per year
- Two administrative and two maintenance vehicles, \$159,000 total
- Building expansion includes HVAC units (3) - \$204,000 - \$220,000 per year
- Pit reconstruction - \$250,000
- Bus wash, \$350,000
- Equipment purchases identified in future years, \$40,000 per year
- Computers, \$12,000 per year
- Bus stop improvements for 1 – 2 new stops and repairs to existing stops, \$9,200 per year (local match portion)

Trustee Goodman inquired about the fleet age and suggested the board begin discussions on CyRide's ideal age. He also requested discussion on ways to save dollars. Director Kyras stated that the fleet age will be dictated by the availability of grant dollars and that staff's plan to keep the age as low as possible when these grants are not available was to purchase 5 used buses each year to replace buses that no longer could run and for expansion as CyRide grows. She indicated this was the least expensive method to keep the fleet moving forward. Trustee Goodman then asked if CyRide could operate with fewer buses. Director Kyras responded that it could not as currently CyRide was operating with a three bus spare ratio, which means that there are only three buses available when buses breakdown. She shared that as the fleet age increases, so do the maintenance costs, which are included in the operating budget.

Trustee Goodman stated that the Capital Improvement Plan would be financially challenging and requested that staff place priorities on each of the capital purchases and to bring these recommendations to the January transit board meeting.

Trustee Schainker made a motion to table this agenda item until the January 2014 transit board meeting and asked that CyRide staff prioritize the capital items and bring their recommendations to the transit board meeting. Motion was seconded by Trustee Drenthe. (Ayes: Five. Nays: None.) Motion carried.

2014-2015 OPERATING BUDGET: Director Kyras provided a status update of the 2013-2014 budget.

- Expenses, July through October, 2.1% lower, mainly due to fuel. Average price of diesel fuel is \$3.13 per gallon versus CyRide's budgeted price at \$3.75 per gallon - estimated annual savings of \$80,000 to \$90,000
- Maintenance parts are \$12,000 lower
- Wages and benefits - \$80,000 higher as a result of additional service due to enrollment increases
- State funding, 10.6% higher - additional annual \$24,000
- Advertising sales higher, additional annual \$15,000
- Farebox is lower, \$20,700 less annually
- Shuttle revenue will be higher with Odyssey of the Minds 2014 - \$68,000
- ADA service, \$44,000 less annually
- Year-End Closing balance estimated to be \$1,291,724, leaving a 14.9% fund balance
- Capital balance lower from \$978,359 to \$483,212 due to construction timing
- GSB Trust fund balance should end the fiscal year at \$1,044,034

Next year's budget assumptions include:

- Health insurance, up 6%, additional cost - \$28,800
- Payroll expenses will increase 3.3%, additional cost - \$198,000
- Fuel, budgeted at \$3.75 per gallon
- Federal funding of \$57,000 additional and no capital funding
- State funding increasing \$50,000
- Funds transferred from operations to capital - \$800,000
- State revolving loan repayment, fourth of five years, \$8,750 from City and ISU

Director Kyras presented the following budget options:

Option 1 - Current service level at next year's pricing + \$81,012 for ten additional service hour per weekday. The three funding partners would share the costs of the current service level and capital with GSB funding 100% of the ten additional hours per weekday.

Option 2 - Option #1 services plus additional service on Sunday Blue route, weekday Brown and Green route plus two additional full-time mechanics and two, part-time lane workers to service the 34 buses added in the last seven years and a full-time summer trainer. The three funding partners would share the costs of the current service level, mechanics, lane workers and trainer with the GSB funding 100% of the ten additional hours per weekday, and the Blue, Brown and Green route additional services.

Option 3 - Option #2 plus adding service to the Gray route between the hours of 7:00 a.m. and 9:00 p.m. The three funding partners would share in funding the current service level,

staffing and capital with GSB funding 100% of the additional 10 hours per weekday, Blue route Sundays, Brown/Green Weekdays, and Gray route weekdays.

Director Kyras then discussed the funding chart contained in the board packet displaying the additional cost and percentage increase for each of the three funding partners under each option - ranging from a 1.4% to 4.4% increase for the City and ISU, and 3.7% to 14.9% increase for GSB.

Trustee Madden shared with board members that the students service demands are a trade off as Iowa State finds they do more after hours escorting and would rather have the bus system provide this. He indicated that he favored Option 3 from the ISU administrative perspective. He indicated that enrollment growth would generate additional transit revenues and shared his view that the GSB Trust Fund's purpose was not to build up a large balance, but to be used for services. Trustee Madden favored the Brown route service changes for Towers residences needs and the Gray route services to reduce traffic driving from the Grove and Copper Beach complexes. He shared that there are currently discussions taking place on whether to start charging a user fee for people who park at the Iowa State Center. As a result of all this, he again shared his desire to fund Option 3.

Trustee Goodman shared his desire to review the funding model to determine a better method of identifying each party's costs.

President Rediske shared that he feels students at Iowa State are being served well and are getting a fair deal. He also indicated that he supports Option 3, but thought there was no down side for completing the research to determine what benefits each party should be paying. President Rediske and Trustee Madden were in favor of setting some sort of model so this discussion does not take place every year.

Trustee Goodman agreed, stating that Ames is a better community because of CyRide and feels it is important to work hard to obtain a new model to evaluate the system, the peaks, and possibly redistribute ridership. Also to determine if operating money should be redistributed. He indicated that transit is a benefit because it enables people to participate within the City. Trustee Goodman would like to see more money put into bus stops. Trustee Goodman requested that staff bring back a number for the next meeting for a pad and a canopy. Barb Neal indicated that CyRide did not have canopies, but provides shelters and benches.

Director Kyras indicated that the original three party funding model began in 1981 and was modified in 2002 when students began the fare free model. She indicated that she was currently reviewing past documentation to determine if the original assumptions could be identified as a starting place for future funding discussions.

Trustee Murrell indicated that he would like to substantiate that the 91-9% ridership split between the community and students was reflective of service today and agrees with coming up with a funding model for the future.

Trustee Goodman indicated that he had been talking with a professor at ISU about how to develop a model. Director Kyras also shared that CTRE, Center for Transportation Research and Education at Iowa State, conducts research related to transportation and could possibly assist with the project.

Following a lengthy discussion amongst the transit board members, all agreed to table the discussion until January to allow for more conversations regarding services.

TRANSIT DIRECTOR'S REPORT:

- Fuel Bid Update: Five bids were received. Keck Energy being the lowest and staff was comfortable with only the first four contracts. Director Kyras and Rich Leners will meet with Keck Energy to discuss a longer term contracting process as the bids varied for this time period.
- New Bus Purchase Update: CyRide staff has researched and found that the Minnesota DOT had a bus procurement that any transit system could use to purchase buses. Before awarding a CyRide bid, the FTA declared the bid to be flawed and transit systems were barred from using this procurement; however, there is a possibility for CyRide to be included in this bid, but this could cause a special board meeting in order to take action as it would need to be completed prior to December 31, 2013.
- Facility Construction is delayed with work currently scheduled to be complete in the spring. CyRide is working to have access to the new bus storage before school starts in January. Director Kyras pointed out that the need for additional storage is high on CyRide's list. Trustee Madden suggested looking into Van Wall facility on Airport Road in order to get the remaining buses under storage. The transit board and staff discussed the downside of parking buses outside, which requires buses to be run all night when the temperature is below 10 degrees as the fuel gels, not allowing buses to run.

TIME AND PLACE OF NEXT MEETING: January 22, 2014, 8:00 a.m.

ADJOURN: Meeting adjourned at 5:56 p.m.