

AMES, IOWA

July 30, 2014

The Ames Transit Agency Board of Trustees met on July 30, 2014 at 3:15 p.m. in the CyRide Conference room. President Murrell called the meeting to order at 3:26 p.m. Present: Trustees Madden, Schainker, Haila, Murrell and Abbas. Absent: Trustee Goodman.

APPROVAL OF MINUTES: Trustee Haila made a motion to approve the June 25, 2014 Transit Board meeting minutes as presented. Motion seconded by Trustee Madden. (Ayes: Four. Nays: None. Motion carried.)

PUBLIC COMMENTS: No public comments.

BUS PAINTING CHANGE ORDER: Director Kyras explained that CyRide purchased ten used buses from Metro Transit, the bus system in St. Paul, Minnesota and, after inspections of the vehicles, had determined that eight of the ten buses were in good enough condition to be operated in service - the other two buses will be used for parts. She further explained that the first step in refurbishing the vehicles was to repaint the exterior of the buses. Five of the buses will be painted within the FY2014 budget and be ready for service for the fall semester and the additional three buses in the FY2015 budget year and will be ready for the spring semester.

ABC Companies of Faribault, MN was the low bidder on this work, which was bid based upon a cost per hour for body work and painting. CyRide staff had estimated the average hours of work to complete each bus based upon similar projects in the past and determined the cost to be \$9,457 per bus for a total purchase order for five vehicles of \$47,285. However, after the first two buses were completed, they averaged over \$12,000 per bus due to unforeseen repair work discovered once they began refurbishing the buses. As a result, Staff believes the budgeted, average cost per bus should be \$12,500 per bus for a total budget of \$62,500, which will exceed staff's authorization level. Therefore, a change to the purchase order must be approved by the Transit Board of Trustees and City Council.

Transit board members asked about the bidding process for the painting work. Director Kyras explained that the amount of corrosion and unforeseen damage to the body of the bus is difficult to identify until the current paint is removed, therefore, bids are based upon the type of work on an hourly basis as opposed to a cost to complete the work.

Trustee Haila made a motion to approve a contract change order with ABC Companies of Faribault, MN in the amount of \$15,215 (\$47,285 - \$62,500). Trustee Madden seconded the motion. (Ayes: Four. Nays: None. Motion carried.)

CYRIDE FACILITY CONSTRUCTION CHANGE ORDER: Director Kyras indicated that the facility's construction project was almost complete with only a few items left on the punch list.

She explained that the change order request (#44) was for an unexpected manhole that was found on the west side of the building when excavation work was being completed near the ISU Cooling Towers. The cost to remove the manhole is \$10,582.72.

Director Kyras explained the project budget, indicating that the contingency budget for the project was \$362,120 and, with the approval of Change Order #44, the project contingency will exceed the original budget amount by \$122,700.50. She indicated that the project budget has remaining funding, after paying for all change orders, of \$443,420.

Director Kyras indicated that there may be one more change order to correct water that is ponding near the dumpster on the west side of the building. Board and staff members discussed responsibility for this situation. Director Kyras indicated that current discussions on this topic were on-going between the Architect and Contractor.

Director Kyras also explained one additional situation that would delay closeout of this capital project. A claim had been filed by a subcontractor indicating non-payment by the Contractor and until this is resolved, will hold up payment of final retainage. A discussion ensued regarding the nature of the claim and the Contractor's actions to resolve the issue.

Trustee Haila made a motion to approve CyRide Facility Change Order #44 totaling \$10,582.70 for payment to Henkel Construction. Trustee Madden seconded the motion. (Ayes: Four. Nays: None. Motion carried.)

#4 GRAY ROUTE DEVELOPER PROPOSAL: Director Kyras told the transit board, one of the service proposals CyRide staff brought to the transit board during budget discussions last fall was to increase service on the Gray route by adding one bus and improving service from hourly to service every 40 minutes, as well as adding evening weekday service. She indicated that the Gray route serves major student apartments and helps provide capacity on the Orange route at the Iowa State Center. She reminded board members that the estimated cost to add the proposed service was \$113,253. She indicated that service was not able to be added to the 2014-2015 budget at budget approval time in January 2014.

Director Kyras shared that since the transit board's discussion, the Copper Beech Townhome developer had indicated an interest in better service to their complex and considered three service ideas: funding CyRide, hiring a private operator, or directly operating service. Their preference was to fund CyRide. As a result, Director Kyras shared with the developer the Gray Route service proposal and cost as discussed by the transit board last fall. She indicated that the developer had indicated an interest in fully funding this proposal if service could begin for the fall semester.

In response, Director Kyras and the City of Ames legal department had drafted a contract for this service, which is included in the board packet. This contract had also been submitted to the developer for their review and their counter-proposal was handed out at the meeting. Director Kyras explained the developer's proposed changes to board members. The most significant change was in the Compensation section, which adjusted the annual payment in the second and third years of the contract by the Consumer Price Index for the year or a maximum of 2.5% as opposed to the original concept of 2.5% per year. Director Kyras shared her concern that the CPI reflects the health of the economy, not CyRide's actual costs of providing service. As a result, there was a possibility that the CPI would not cover annual expenses for the additional service.

Director Kyras shared that two actions would be required by the transit board - approving the service change and then approving a contract for payment for the service.

The transit board agreed that using the CPI to adjust costs could result in not recovering all of CyRide's service costs.

Trustee Schainker expressed his concern on being locked into only one year and the possibility that after that year, the developer could decide to not fund the additional service. He further explained his concern stating that CyRide would be changing its service to accommodate this request and if the developer did not pay in the second year or beyond, students expectations would be set making it difficult for the transit board to reduce service.

Trustee Madden agreed that the contract needed to require the developer to commit to three years of funding.

Trustee Madden shared that, regardless of the developer's cost proposal, he believes that there will be increasing pressure to add this service as a result of the additional students units. H indicated that he supported a longer-term commitment to pay for the services. Trustee Schainker shared that he believed there needed to be a non-appropriation clause, which would allow the transit board to be released from the contract each year of the three-year contract.

Transit board members discussed whether to consider the Copper Beech developers proposal if the firm could not commit to three years. Board members shared that if a contractual agreement could not be made, that the students will still ride on the existing Gray route service and that the buses would be more crowded or that CyRide might have to add an extra bus to address overcrowding. Another scenario was discussed where students would drive to the Iowa State Center to board the Orange route, creating over-loaded buses at this location. Director Kyras shared that CyRide might be able to put an articulated bus on the Gray route, easing operational and driver issues.

President Murrell pointed out that it would be better to agree to some money for this service rather than walking away from the developer's request. He also shared that he agreed that a three year commitment by the developer was desired.

Trustee Schainker questioned Section 2.2 of the draft contract regarding language on the days of operation. His concern addressed whether CyRide would be committing to operate service if Iowa State University closed down. Director Kyras shared that CyRide operates when ISU is closed for inclement weather unless streets are impassable, but indicated that the wording included clarification on ISU breaks and holidays. It was discussed to modify the wording to reflect operation of service during ISU school days only.

Trustee Madden made a motion to give Director Kyras authority and flexibility to negotiate a contract with the developer and further to request a three year commitment with a non-appropriate clause for the transit board and the board's desire for a 2.5% annual increase. Consensus of board members present was that the annual increase was less important than the three-year commitment. Board members indicated a desire to not hold a special meeting to approve the final contract, but indicated that the Director could negotiate the best contract possible, based upon the board's input from this meeting.

Trustee Haila suggested that the contract should contain an explanation that the service under contract with Copper Beech was reflected by the yellow highlighted times in Exhibit 2.

Based on further discussion, comments, and direction of the Ames Transit Board of Trustees, Mr. Madden's motion to give Director Kyras the authority to negotiate and modify the contract with the Copper Beech developer was seconded by Trustee Haila. (Ayes: Four. Nays: None. Motion carried)

TRANSIT DIRECTOR'S REPORT

- Director Kyras shared the status of the meeting requested by transit board members regarding HIRTA services. She indicated that she had a meeting with the Assistant City Manager, Melissa Mundt who is staff to the ASSET board, and that collectively they were developing an invitee list to this meeting. She indicated that they were working toward a September meeting and would let the transit board know when this is scheduled.
- Director Kyras indicated that the Ladders of Opportunity grant was completed and in the process of being submitted electronically. She indicated the grant included a request for four articulated buses.

Trustee Haila asked if CyRide staff was concerned about being ready for the fall semester. Director Kyras mentioned that CyRide staff is always apprehensive this time of year, but a bit more so this year. She shared that the hiring/training of drivers this

summer had created a large challenge and that currently there is more work than drivers available. She indicated that as many staff as are qualified to drive will most likely be driving until more drivers can be hired/trained during the fall semester.

Trustee Madden asked if CyRide provides some type of incentive at the end of the year to keep drivers. Barbara Neal explained that this would not keep drivers because there is no work for them in the summer when CyRide's ridership is approximately 1/3 of its school year ridership. As a result, drivers find other jobs and do not return. The other factor is that there is more service hour each year, as there used to be 2,000 hours of service per week and now CyRide is operating 4,600 hours. Trustee Madden asked if CyRide paid for employee's cost to obtain a CDL license. Ms. Neal indicated that it does not, but that CyRide does train new employees to obtain a CDL license. She further added that the cost of the license has not been an issue to date for employees.

Trustee Haila asked where the request stands with Iowa State for any kind of land for expansion - soccer field or to the west. Trustee Madden indicated that ISU's focus currently is on Iowa State's stadium parking lot issue and that CyRide's request would most likely not be able to be addressed until this is finalized.

Director Kyras indicated that this is the first step to identify where the building could be extended and then the remaining \$400,000+ remaining in a federal capital grant could help pay for final engineering of the building on the identified piece of land.

Trustee Haila, Trustee Schainker and Trustee Abbas will not be able to attend the Fee Committee meeting regarding the future of CyRide services, but transit board members felt that the meeting should move forward as there would be no decision at this meeting and opportunities at future meetings for their input.

Director Kyras also shared the final 2013-2014 ridership numbers at 6,619,182. June Orientation shows a ridership increase.

SET TIME AND PLACE OF NEXT MEETING: August 26 at 8:00 a.m.

Meeting adjourned at 4:30 p.m.