

The Ames Transit Agency Board of Trustees met on September 30, 2014 at 8:00 a.m. in the CyRide Conference room. President Murrell called the meeting to order at 8:03 a.m. Present: Trustees Madden, Abbas, Murrell and Schainker. Absent: Trustees Goodman and Haila.

APPROVAL OF MINUTES: Trustee Madden made a motion to approve the August 26, 2014 Transit Board meeting minutes as presented. Motion seconded by Trustee Abbas. (Ayes: Four. Nays: None. Motion carried.)

PUBLIC COMMENTS: No public comments.

YEAR-END FINANCIAL SUMMARY: Director Kyras reported that end of the year expenses through June 30, 2014 were over budget by \$186,129, a 2.1% increase. Fixed route and Dial-A-Ride expenses were higher with administrative expenses lower. The reason for higher fixed route expenses is that additional expenses were incurred in overtime due to a shortage of drivers and for additional services to meet ridership demand, \$160,000. She then highlighted specific budget variances:

- Fuel prices were lower, but more diesel fuel was used resulting in expenses at the budgeted level.
- Dial-A-Ride expenses were over by \$25,000, which happened in the last quarter of the year due to higher ridership. Dial-A-Ride is paid for with federal dollars, therefore, this additional expense did not have a large budget impact.
- Administrative expenses are under budget due to structural repairs and fixed equipment repairs being lower.
- Revenue was higher by \$77,000 as a result of higher STA operating assistance and GSB providing \$85,000 in funding for service that was added.
- Federal revenues were lower with the loss of funding for Job Access Reverse Commute and farebox revenues being \$25,000 lower.
- The closing balance for CyRide is over \$2.8 million with the GSB Trust Fund balance at \$993,000, operating balance ending at \$1,183,302, and capital fund balance at \$659,497.

Director Kyras shared that the operating closing balance was one of the higher year-end balances at 13.3%. Trustee Schainker asked about the additional \$85,000 from GSB and how that was reflected in the budget. Tom Davenport, CyRide's Transit Coordinator indicated that the original \$85,000, approved by GSB in the summer of 2013 was amended into the budget during the year and that the \$85,000 additional, approved by GSB in the summer of 2014 as a result of higher-than-expected ridership, was reflected in the higher closing balance. He also indicated that this balance also reflected modifications to other expenses such as, insurance, parts, and purchase of used buses.

PEER GROUP SERVICE-FINANCIAL COMPARISON: Director Kyras said that following the joint ISU Fee Committee, ISU administration, Transit Board meeting in August and, at the request of questions raised by transit board members after that meeting, CyRide staff was in the process of completing a peer group comparison to determine how CyRide compares with other cities/universities on financial and service-related measures. The peer group of town and gown transit systems that were chosen as part of this comparison were:

- Iowa City, Iowa – University of Iowa
- Champaign-Urbana, Illinois – University of Illinois
- Bloomington, Illinois – Illinois State University
- Chapel Hill, North Carolina – University of North Carolina
- Fort Collins, Colorado – Colorado State University
- State College, Pennsylvania – Penn State
- Blacksburg, Virginia – Virginia Tech
- Stillwater, Oklahoma – Oklahoma State University

Director Kyras listed the metrics that were included in the comparison as follows:

- Fall 2013 population
- 2013 Fall Enrollment
- 2013-2014 Transit Ridership
- Percent of Ridership by University Students
- Percent of Students Living Off Campus
- Number of Weekday Hours of Service
- Number of Weekend Hours of Service
- Peak Hour Service Frequencies

Director Kyras shared that she had hoped to be able to provide information for all the systems at the September board meeting, but was struggling to get information that she believes provides an accurate accounting of how the systems are operated and financed. She indicated that the Iowa City-Cambus system was the only system that she had been able to accumulate sufficient data on and believes that a discussion of how this system operates would provide a valuable perspective on the next agenda item.

Director Kyras provided some background information on the Iowa City and Cambus systems, indicating that three transit systems provided coverage for the metropolitan area: Iowa City, Coralville, and Cambus with a downtown transfer center. Cambus is the On Campus service, which would be equivalent to CyRide's Orange, Gold and Cardinal routes. Students can then purchase a U-Pass for \$168 per year to use the Iowa City and Coralville transit systems.

Generally, Cambus' service level compares to CyRide. However, CyRide service is more frequent than Iowa City's service as they operate a 30-60 minute schedule, where CyRide operates a 20-40 minutes schedule. Less service is provided by Cambus and Iowa City on the weekend, with Iowa City transit not operating on Sunday's.

On city population and university enrollment, Director Kyras explained that the two geographic areas are at comparable levels; however, Ames has a slightly lower population, but slightly higher university enrollment. The end result is that ridership levels are virtually equal in the two communities with the Iowa City area providing fewer student rides and more community rides.

In reviewing their financial structure, Director Kyras indicated that the Iowa City-University of Iowa model was significantly different. In summary, Iowa City and the university contribute more dollars to the operation of their systems - \$7.6 million for the City and \$2.1 million in university contributions. Student fees are less, because they support only the on-campus service provided by Cambus at \$28.15 per semester.

Director Kyras shared her conclusions from the analysis:

- CyRide provides a higher level of service than the Iowa-City-Cambus services combined.
- Each of the three local funding partners pay more for the Iowa City-Cambus services - City - \$7.6 million vs. \$1.5 million, University - \$2.1 million vs. \$687,000 and students - \$224.30 per year vs. \$160.27.
- Overall, the Ames-CyRide model provides for greater benefit both financially and service-wise

Director Kyras shared that one difference in the Iowa City-Univ. of Iowa model compared to the Ames-Iowa State model, that could be further examined, was that payment for transit services in the Iowa City model resulted in a distance-based fare. If students stayed within the campus area on Cambus it was a lower fare (\$28.15 per semester) than if they lived off-campus and/or travelled within Iowa City. She indicated that a two-tiered student fee would accomplish this same distance payment system, where students that lived farther from campus would pay a higher fee. She explained a hypothetical fee structure where students living farther from campus could pay for the more expensive services they enjoy. Trustee Madden questioned whether students would drive to the Iowa State Center lot and take the free Orange route into campus under this hypothetical fee structure. Trustee Schainker indicated that it would still be part of their fees, so students would not see a saving by doing this.

Trustee Madden suggested contacting the Town and Gown organization instead of CyRide staff collecting the transit data, as they work on projects such as this and there are 60 or 70 communities in this system. The Town and Gown organization meets once a year in the spring and Trustee Madden would not be opposed to CyRide personnel

attending this meeting. Trustee Madden will locate the information and get back to Director Kyras.

FIVE-YEAR FINANCIAL ANALYSIS: Director Kyras shared that, at the September transit board meeting, board members had requested staff to prepare a five-year pro forma of expenses and revenues, as well as the student fee that would be required to support CyRide's operating and capital budgets in the short-term future. These discussions were part of the larger issue of the percentage of local funds needed by each of the funding partners in light of current ridership trends and university enrollment.

Director Kyras explained the assumptions that were built into the expenses and revenues contained in the pro forma, which are included in the agenda item. These included estimates based on historical trends/current predictions, known or anticipated grant awards, and desired funding levels for closing balances. She indicated that there were no new services or bus storage expansion expenses included in the assumptions (buses would be parked outside).

The assumptions were then placed into three funding scenarios where current service levels remained at the existing local partner funding shares; however, new services/student-desired technology (highlighted in yellow on the Budget Analysis chart) would apply the following shares:

- Scenario #1 (Current Three Party Shares) - 65% GSB, 24% City and 11 ISU
- Scenario #2 (Ridership Shares) - 90% GSB and 10% City/ISU
- Scenario #3 (Student Emphasis) – 100% GSB

Ms. Kyras directed board members to the summary chart on page 9 of the board information that provided the impact, at the end of the five-year period, on city, university and student's total dollar contributions and for the student fee rate per semester. In general, there is a shift from City/ISU to greater percentage participation by the students and the student fee increases to \$80-82 per semester in five years under Scenario's #2 and #3. Student fees do not change significantly over the three scenarios as the additional services represent relatively lower expenses.

Trustee Schainker commented that he had expected the numbers to vary more from one scenario to another. Director Kyras indicated that the modest changes were due to leaving the base-level service under the current funding partnership shares and only the relatively small number of additional services/technology expenses impacted the different funding scenarios. Trustee Madden shared that he believes that it was probably unrealistic to assume no growth in the system over the next five years, other than the five additional hours of service per year. The board requested the additional services on the following page be added to the five-year analysis scenario's:

- New State Street route in two years
- Service to the new Research Park in three years
- Additional service on the Gray Route on S. 16th St next year
- Additional buses on Brown route in two years

Director Kyras asked for board direction on how these services should be divided among the three funding partners with some new services impacting students more versus other services impacting the community more. For example, she asked if the Research Park service should be 90% City/ISU and 10% students as it served the community more; where the State Street route serves the students more and could be 90% student-funded, 10% City/ISU. Trustee Madden indicated that he believes that all of the services will positively impact the students and believes that the three scenarios should stay as presented.

Trustee Madden indicated that there is some discussion of adding more university student parking to the north side of campus, which could put pressure on the bus system. He also asked whether the Ames School District's current discussions on K-12 busing might have any impact on CyRide as he had heard that some individuals had raised the questions about whether CyRide could provide school bus service. Director Kyras indicated that she had not heard of any discussions around this issue, but was concerned that if the school district brought busing in-house (as is one of their proposals), they might not be willing to provide the seven additional trips per day for CyRide on the Cardinal route, which would require CyRide to quickly purchase seven more buses and hire more drivers.

Trustee Schainker requested that the five-year analysis be included on the Transit Board's October agenda so that Trustees Haila and Goodman could be part of the conversation.

QUARTERLY OPERATIONS REPORT: Director Kyras highlighted significant performance indicators for the quarter and year-ending.

- End of year ridership was +12.3% higher and is one of the highest increases in recent past.
- Farebox revenue is lower by \$25,000. This trend concerns staff as the ratio between students and non-students becomes larger.
- Operating expenses were higher for the year as a result of the additional services provided to match demand.
- The number of times staff was able to clean the interior of the buses was significantly higher.
- Road calls were up 38%, with the increase in minor mechanical instead of more costly, major mechanical categories.
- Diesel miles per gallon remains stable at 4.1 miles/gallon.

- Fixed routes accidents were higher, with the total cost of damage to CyRide buses just under \$60,000. Most accidents on CyRide property are due to tight bus storage conditions.
- Customer comments were higher due to more service requests and more system complaints, such as requesting additional services.
- Dial-A-Ride ridership is increasing; however, its farebox revenue is lower as more customers are purchasing tickets from HIRTA in advance. This revenue is deducted from their expenses and is not recorded as “farebox revenue”.
- Moonlight Express ridership was higher
- She shared that overall, she believed it was a successful year for CyRide.

Trustee Madden asked for an update on the status of conversations with HIRTA. Director Kyras shared a recap of the most recent meeting with Trustees Haila and Goodman along with ASSET staff. She indicated that the end result was a set of several meetings through the end of the year with human services agencies and care facilities that have significant HIRTA clients/residents, as well as transportation providers in Ames. The purpose of these meetings would be to develop a list of opportunities for improvement, budget/resources plan to support these improvements and service expectations. She indicated that she would keep the board informed on the progress of these meetings.

She also shared information regarding HIRTA’s driver shortage. She indicated that HIRTA typically operated ten routes every day throughout Story County. At the beginning of the school year, HIRTA only had enough drivers to operate six routes. As a result, HIRTA has denied a significantly number of Non-Dial-A-Ride trips in order to meet its contractual obligation with CyRide for the Dial-A-Ride service. She indicated that to-date, HIRTA was providing the same level of service to Dial-A-Ride customers as it had in the past, but shared that she was concerned about this situation. She also indicated that this was a community-wide shortage as CyRide needed 10-15 more drivers and that Durham School services was also not able to hire sufficient numbers of drivers.

She shared the measures that HIRTA indicated it was taking to address this shortage, including meeting with one of its heaviest users, Mainstream living, to try to reduce demand or stagger pick-up times. She also indicated that HIRTA was trying several methods to hire more drivers.

Trustee Madden indicated that he had heard from a Dial-A-Ride customer regarding concerns that HIRTA was not providing an adequate level of service and that the customer desired that CyRide once again provide this service. He also acknowledged that some customer’s expectations are higher than what is possible to provide.

Trustee Madden also mentioned that Cathy Brown with ISU’s Facilities Planning and Management division had met with the same consultant that CyRide is using for the

Orange Route study, regarding a study of Osborn Drive. He indicated that the university would be paying to have the consultant photograph traffic at several locations along Osborn Drive the week of October 6th and that they would be obtaining traffic counts. He indicated this data would then be used to determine if there are other options for traffic on the street.

TRANSIT DIRECTOR'S REPORT: Director Kyras shared that the first week of school's ridership numbers were more manageable compared to the same week from last year, which was up over 24% last year compared to +3.9% this year. However, she shared that service this year is stretching CyRide not only with drivers, but also with the number of buses. In order to meet its daily peak demand, every operational bus is being placed in service. Further, she shared that CyRide mechanics have been coming in on Sundays to repair buses that break down on the weekend, so that enough buses are available on Monday morning for service.

Ms. Kyras provided an update on the used buses purchased from St, Paul, Minnesota. She indicated that the fifth used bus is scheduled to be in service this week or next. The three remaining used buses are scheduled to go to Minnesota to get painted, with one bus hopefully scheduled to be in service by the end of the month and the other two late fall.

Ms. Kyras shared with board members that CyRide staff is being pressured by the Federal Transit Administration to progress forward with the Orange Route Study as the project is in jeopardy of losing funding due to its inactivity over the last year. She indicated that the study was delayed while the intermodal facility was being constructed and then while the university completed larger discussions about Osborn Drive. Director Kyras indicated, after a conversation with Trustee Madden, that staff would restart the study using the assumption that Osborn Drive will be available for bus routes. At the October meeting, she will recap the work that has been completed and will share with the board the next steps planned.

SET TIME AND PLACE OF NEXT MEETING: President Murrell and Trustee Madden will not be available on October 30, 2014 for a transit board meeting so the October meeting was moved to October 22, 2014 at 8:00 a.m.

Date for the December meeting is Thursday, December 4, 8:00 a.m.

President Murrell adjourned the meeting at 9:04 a.m.

Zachary Murrell, President

Joanne Van Dyke, Recording Secretary