

The Ames Transit Agency Board of Trustees met on November 15, 2014 at 8:00 a.m. in the CyRide Conference room. President Murrell called the meeting to order at 8:07 a.m. with Trustees Madden, Abbas, Goodman, Haila, Murrell and Schainker present.

CYRIDE SERVICE LEVEL PHILOSOPHY: Director Kyras explained that the focal point of the special meeting was to establish direction on CyRide's philosophy on the level of service that CyRide should operate within the community as it relates to financial and physical resources and further how this relates to the dollars each of the three funding partners contributes to its operations. Director Kyras briefly explained the staff definitions of the current, and other possible service levels, that could be operated by CyRide as presented in the packet of board information. Under the current service level definition, Trustee Haila expressed concern about the last bullet as it relates to development in the community. He indicated that the increasing number of apartment complexes/developments, not on existing bus routes, was putting extreme pressure on CyRide. He indicated that students expect service, as they pay for CyRide through their fees, but that CyRide could not keep pace with complexes that were building on the outskirts of the community.

President Murrell referenced previous board discussions on CyRide's geographic coverage. CyRide's standard is 85%, but is currently serving about 90% of the community.

A discussion ensued regarding whether every customer should have a seat on the bus as opposed to being able to get on the bus, seated or standing. Consensus of the board was that a seated level of service could not be fiscally-achieved.

Trustee Madden stated that he believed that there were times of the day that passengers needed to be able to be assured of a ride and that he believes that more buses should be provided to carry the number of passengers desiring a trip at a certain time, but not guaranteed a seat because every transit system in the country has peaks. He went along to say that not every location in Ames needs service, such as Northridge, but there are many demographic areas that do need transit service.

Trustee Schainker said that the transit board needs to pick a service philosophy and that the fiscal ability of the three funding partners needs to be considered in this decision as well as the safety of CyRide customers. He believes that a policy that provides unlimited resources (buses) is not sustainable.

Trustee Haila asked the student board representatives' perspective of the student body's service expectations recognizing that students pay a larger percentage of the local dollars needed to support CyRide services. President Murrell and Trustee Abbas agreed that students expect to be able to get on a bus when they need service and to go

where they want to go and experience Iowa State and Ames. They indicated that they did not expect a seat, but that they expected to be able to get on the bus.

Trustee Madden said philosophy, economics, and safety have to come together in deciding how transit service will be provided in the community.

Trustee Goodman asked the student board representatives' perspective on the current year's service change to add a bus on Sunday serving the Walmart area of Ames, indicating whether they believed students perceived it as a needed service. He shared that under the current structure, there is no incentive to curb usage or to do anything different - likening it to an all you can eat buffet. Trustees Murrell and Abbas indicated that this service is desired by students. Trustee Goodman then shared that he believes it is difficult to define a philosophy when there are funding constraints. He referred to the Walmart example indicating that student's needs have an economic cost. Trustee Goodman addressed the Universities other types of mandatory fees, such as recreation fees, indicating that they are not unlimited, not unlike transit resources. Further, he shared that it is hard to define a philosophy with unlimited demand and to find an alternative.

Trustee Madden said the university tries to address and adjust services as enrollment increases. He indicated that there were current conversations around the student health clinic and testing sites and, at the end of the day, there would be a cost to adjust services and that he believes that CyRide is the transit piece of this enrollment increase. He indicated that through the support, or lack of support, of certain fees students will decide if they support service as it is or desire different services. He also shared his thoughts that if CyRide's philosophy is that it is not going to pick everyone up that is standing at a bus stop, that he believed further discussion with the student body would be needed.

Trustee Haila indicated that the transit system has been enjoying federal funding, but that federal support for capital funding had virtually ended and that CyRide will have to begin paying for the entire cost of purchasing buses. Director Kyras shared what she had recently learned regarding federal legislation. She indicated that currently there is significant support by several national transit organizations to reverse the negative impact on transit capital under the MAP 21 program and, with passage of a new transportation funding bill, there is greater hope that there will be federal support for bus funding in the future.

Trustee Goodman shared his perspective that people that are trying to drop off or pick up their kids and get to work need transit to be dependable. Further, he indicated that if these individuals are required to wait another 10 minutes that it could have a significant impact on their life. He added, however, that CyRide's ability to meet all of these needs is difficult with the financial resources available and that committing to this service level was unrealistic if it was not economically sustainable.

Trustee Goodman went on to say providing service for every passenger during the day that needs a ride within a window is not possible. Passengers have to plan their travel.

Trustee Schainker referenced past board practices to reduce service when routes fall below a minimum number of riders. Director Kyras indicated that staff had shared this analysis with the board in the spring and that the board had decided at that time to leave existing services unchanged. Tom Davenport, CyRide's Transit Coordinator, indicated that the past thresholds were a minimum of 7 passengers during off-peak times and 12 during peak times. Barbara Neal, CyRide's Operations Supervisor added that CyRide determines whether to add a bus to a route if there are consistently 55-60 passengers on a bus and, that if passengers are at a bus stop and are passed-up by a full bus, that CyRide will add buses so that everyone can get on a bus scheduled for the same trip in the bus timetable.

Trustee Madden shared his concern that it is difficult to provide bus service to new developments that have been approved by City Council, citing the Copper Beech on S. 16 Street and new development on S. 17th Street as examples. He indicated that for other communities, transit becomes one of their economic tools. However, developing a 1,200 bed complex, not on a bus route, leaves the expectation of service that may not financially be feasible for the agency. Further, he indicated that examples like this one will drive the decision on how the transit board is going to fund services, if the transit board decides to continue with the current service philosophy.

Barbara Neal, Operations Supervisor, provided input on the Yellow Route. She indicated that the Yellow route currently operates every 40-minutes. However, in the case of the 1,200 bed complex, CyRide would not improve the frequency of buses, but would add more buses to meet the demand every 40 minutes. Further, she indicated that CyRide operates on arterial streets and customers must walk to these streets. She indicated that residents from the development on S. 17th would need to walk to S. 16th as opposed to receiving more direct service.

Transit board members discussed the challenges in meeting expectations to these new developments and provided a consensus that it was reasonable for customers to walk a reasonable distance to a bus stop, stating that CyRide could not provide service everywhere in the community. A definition for reasonable walking distance ensued. Director Kyras shared that the industry standard for walking to a bus stop is ¼ mile or about three blocks and indicated this was a standard the board had adopted with the Title VI standards.

The discussion then turned to ways that the Transit Board could work with the City in managing development within the community, citing the cost to provide a bus to a new development, not on a bus route, at around \$200,000 per year. The suggestion of having developers help pay for services was offered. Director Kyras reminded the

Transit Board that this has been discussed at a previous Transit Board meeting several years ago and that she had contacted the City Planning department to determine if this could be considered in development decisions. She shared that at that time, she was told that the City cannot impose an impact fee for new development. She also shared her concern that if developers chose to individually provide transportation for their own tenants, that an inefficient, confusing transportation system would develop that could cause increased, on or near campus congestion. Barbara Neal shared with the transit board that either she or Director Kyras attend the City's Development Review Committee meetings and inform the committee and developers if there is a negative impact on CyRide services and for their tenants.

Trustee Goodman made a motion to approve the current level of service philosophy. Seconded by Trustee Abbas.

Trustee Madden suggested adding the parameter "available within the financially feasible constraints" to the current philosophy.

Trustee Schainker shared his concern about funding the philosophy, given current funding limitations.

Trustee Madden amended the motion on the floor to "Provide a ride for every customer desiring to use transit at the time of day when and where CyRide operates, within financial constraints." Trustee Schainker seconded the motion. (Ayes: Five: Nays: None.) Motion carried.

Trustee Goodman asked CyRide staff to draft a letter to the Ames City Council relaying the Transit Board's concerns regarding how new condominium/apartment complexes impact the cost of transit service. There was consensus among the board members to draft and transmit this letter to the City Council. Trustee Schainker offered to assist in drafting the letter.

Trustee Goodman moved to direct staff to develop a letter relaying the transit board's concerns on how the city's planning choices, in the long term, are placing pressure on transit. There was no second to the motion, but all board members were in favor by a vote of: Ayes – five, Nays - none. Motion passed.

SERVICE IMPROVEMENT PRIORITIES: Director Kyras said this item was added at the request of board members at the October Transit Board meeting to determine board member's priorities as they considered adding service within the community. She shared the three service categories that staff had developed as included in the board's material.

President Murrell was in support of staff's recommendation on the service improvement priorities and their level of importance, but preferred to describe them as

“guidelines” instead of “priorities”, indicating that on a year-by-year basis their importance could change based on changes in the community.

Board members then began discussing service demands based on the requirements of the labor pool, land use and how to equitably pay for specific service needs as it relates to the three-funding partners and the business community. Trustee Goodman shared his thoughts that bus stop improvements should also be considered as there were a number of existing stops that could be improved.

Trustee Schainker reminded board members that CyRide had a large number of bus stops and that an emphasis on these stops could be a large undertaking.

Trustee Madden asked about the proposed new service along S. 16th Street and its impact on service to the Veterinary Medicine complex. Director Kyras clarified the proposal indicating that to provide no direct service to the Veterinary medicine complex (ISU students/faculty would need to walk to S. 16th St.) would be \$58,000 and \$117,000 for direct service to the complex.

Cathy Brown shared that she thought the conversation related to land use planning, indicating that she believed that there was a way to address the concerns if development occurred and they, in turn, desired to extended bus service to their development. Trustee Goodman stated that he believes that there is a difference between a business and a large residential complex as the complex involves more people.

Trustee Goodman moved staff’s recommendation, except to modify “Service Improvement Priorities” to “Service Improvement Guidelines”, to ask staff to add language addressing labor center employment as it relates to new service and to remove the 2015 – 2016 service examples. Seconded by Trustee Haila. (Ayes: Five. Nays: None.) Motion carried.

2015-2016 BUDGET OPTIONS BEYOND BASELINE: Trustee Goodman requested discussing the next agenda item first, “Funding Model/Local Partner Shares (New Services).” It was the consensus of the board to move to the next item.

FUNDING MODEL/LOCAL PARTNER SHARES (NEW SERVICES): Trustee Goodman shared his thoughts on the challenges of the current funding model. He indicated that the current local party shares of 64% Government of the Student Body (GSB), 24% for the City and 11% for Iowa State University (ISU) were a great foundation, but that challenges occurred in keeping pace with ISU’s enrollment growth and determining a fair allocation for new services that are added. Further, he indicated that each year service improvements are requested by staff to address growth and meet customers’ needs, but that it was challenging to determine who should pay for these improvements. He indicated that some route improvements benefit one party more than others and,

specifically, that the City is not able to keep allocating more resources for transit. He suggested increasing GSB's share gradually over a period of time. Trustee Goodman shared that he believes that there needs to be a way to figure out how to raise revenue or to scale back on what the transit board is approving in order to address this issue. He stated that the reduction in federal capital dollars and the growing pressure on CyRide routes due to increasing ridership shows, through the Pro Forma, that current service is not sustainable for any of the parties. He offered a possible solution that routes could be identified as either city or ISU by rider usage. If the route was primarily ISU students, then GSB/ISU would pay for the cost of the route or by the City if it was primarily non-student usage. He indicated this could apply to new routes, but that the current base of routes would continue to be shared under the current local share percentages.

Trustee Madden indicated that either additional revenue needed to be generated or that services would need to be scaled back, indicating that service reductions would be challenging and lead to discussions with others about how this could be accomplished. He offered his thoughts on options in reducing service: an across-the-board reduction on routes, lower priority routes. He shared that he believes a key to future services is to hold down rising costs.

Trustee Schainker shared his concern with the student fare free structure as this type of system allows for unlimited ridership with no consequences. Further, he stated that it puts additional pressure on the existing routes and those students may have to pay a little more for this if it continues into the future. He stated that he believes that the current breakdown is appropriate, but that the board should make it a goal to control increases.

A discussion ensued on how to control transit expenses. Director Kyras shared the ways staff had been controlling its costs, such as buying used buses and refurbishing them at a fraction of the cost of a new bus, and that returning to past board practices to add \$800,000 per year in local dollars into the capital budget, would allow CyRide to move forward on the capital side, except for a facility expansion project.

Trustee Schainker stated that the Student Fare Free program allows open access to students with no cap on ridership, which means that CyRide will incur extra costs in the future. Tom Davenport stated that students average 170-175 rides per year, but not all students ride. Trustee Schainker shared that to continue this program, a 5% or 6% growth rate per year will be required. He asked other board members if they were willing to continue at this level in the future. He stated that rides have a value, but with the student fare free program, there is no sense of value in the ride as students are not paying each time they ride. As a result, the city's share continues to increase at this higher rate. He shared that originally this was a student-led initiative to have a fare free program and asked if the board was interested in continuing this program into the future in light of growing enrollment at ISU and increasing costs to maintain this type of program. Trustee Schainker also asked if it is possible to eliminate stops on campus.

CyRide staff indicated that it was possible, but that there would not be a cost savings as students would be picked up at a different location instead.

Trustee Goodman inquired about the possibility of using transit technology to have students essentially pay at the farebox by deducting the amount of a ride from a fare card. He indicated that a capital investment in the short term could provide a long term benefit. President Murrell shared that students would not accept paying as they get on the bus, but said paying more for students living farther from campus might be a fair way to adjust fares. Director Kyras explained what she has learned about current transit technology. She indicated that Des Moines DART was in the process of replacing their fare collection system on their buses at a cost of \$4.5 million dollars. She indicated that this was a fairly sophisticated system and had learned that for a system the size of CyRide, a simpler technology would cost approximately \$1.5 million dollars to procure and install, plus the administrative costs and the cost of cards if ISU cards are not able to be used. This system includes a simple drop farebox and device attached to the farebox that allows for a card to be tapped to deduct the price of a ride. She also shared that having 90% of its riders paying at the farebox would slow down the boarding process and would increase operating costs to provide the same amount of service for its riders.

Trustee Goodman offered a second solution to allow the entire community to be fare free. Further, he shared that after a ten-year period, an analysis could be completed to provide the appropriate shares, based on usage, which should be paid by the local funding partners.

Trustee Schainker shared his concern with the fee revenue, where there has been no increase in fees over a number of years and that the GSB Trust Fund balance has increased at the same time. The result has been a growing Trust Fund at the same time as CyRide was incurring unanticipated costs due to the student growth and struggling with its operating costs. Trustee Schainker suggested leaving the percentage shares between the three parties unchanged, but increase GSB fees by 20% to cover the additional ridership that has been generated by students over the past several years. Then, if all the fee dollars are not needed in a year, it could be paid back to GSB. He believes that CyRide should have adequate dollars to begin the year as opposed to having to go back and ask GSB for more dollars out of the Trust Fund.

Trustee Madden said 90%+ of CyRide rides are generated from students and one-third live on campus, which means the other two-thirds live off campus in tax-generating apartments. He indicated that the City's share of \$1.5 million was reasonable for a university town to support community-wide transit services. He further compared the City's share to other city services, such as the library.

President Murrell added that the basic needs for students are to get to/from class and that he had roughly calculated what every student was paying per ride based on 175 rides per student. He indicated that students were paying between 73 and 77 cents per

ride through taxes paid by their rent plus what they paid through their student fees (\$64.11 per semester or \$128.22 for two semesters). This was compared to property taxes at 64 cents per \$1,000 valuation on an average house cost of \$280,000 (\$182.00 per year). Concerns were raised about the annual percentage increase exceeding 5% per year and the total dollar contributions by ISU and the City. Trustee Madden indicated that the \$1.5 million supported by the city was reasonable compared to the other cities as 50% of the community is students. He also indicated that he believes that the student fee portion of the local dollars needed is correct, that historically students have paid what they should and that this level of contribution is sustainable.

Concerns were raised about the loss of federal capital dollars and a discussion on whether the level of contribution by the three local funders could be sustained into the future ensued. Director Kyras shared that historically CyRide has always struggled to meet all of its capital and operating needs, and that every year it is able to secure grants to help support the system move in a forward direction. She also pointed to the historical percentage increases for each of the three parties as an indicator of what level each had achieved since CyRide began operating service – City – 5.6%, ISU - 6.3% and GSB – 8.1%.

Each trustee agreed that the City of Ames would not be what it is today without Iowa State University and students. However, there was no consensus on how to approach the transit funding in the future. Concerns were raised about the student fare free program and its impact on ridership. Trustee Goodman discussed the importance of easily accessing CyRide services to get to/from school and for after school activities. He shared that the fare is currently a barrier to K-12 students for getting access to these programs. CyRide staff shared that an added increase in ridership at this time would further challenge the system from buses to drivers to administrative staff. Trustee Goodman questioned if this impact was different than the ISU student fare free program. Director Kyras explained that it was not a judgment on the value of the program, only on the additional CyRide resources that would be required in light of its facility, bus and driver constraints. She shared that the summer fare free program implemented a few years ago increased ridership by about 28%. Some transit board members felt CyRide needed to ask the students to pay more or to reduce service levels to control costs.

Trustee Schinker shared that he believes that the ISU student fare free concept is flawed and that the university should contribute more dollars toward CyRide services.

Trustee Madden stated that he believes that the percentage split between the three local funding partners was reasonable - ISU's Parking System is paying their portion as well as students are paying property tax plus fees. Trustee Madden also shared that he was not in favor of the city going fare free due to its impact on the system and costs. He believes that each of the local funding partners is receiving a good level of service, and that it is a budget conversation, not a service level conversation.

Trustee Schainker stated that the local funding partner shares would remain the same based on the conversation around this topic.

A brief conversation occurred about determining which routes served the student or city needs and changing the local cost-sharing to be based on user costs, and gradually phasing in this change. The GSB board members stated that they believe that CyRide service lets the student's lead full lives while in college.

Director Kyras asked for clarification on the budget options the transit board would like brought forward for the December transit board meeting. She stated that the board had agreed to the first option at their October board meeting, which included baseline expenses, plus five additional hours of service per weekday. She asked if the board would like a second option developed for consideration that included either the proposed Gray route or Red route improvements.

Trustee Haila stated that increasing from a 3%, option #1 increase to 5.2% to add service for the Gray route might be worth looking at as it is one of only a few CyRide routes that does not have Saturday service.

Trustee Goodman was uncomfortable with increasing service on the Gray route without at least requesting developer's financial support and urged board members to wait until a conversation with the developer could take place to determine if they would be willing to fund the service. Trustee Schainker indicated that the Copper Beech developer on the Gray route had already completed the city's approval processes and was currently funding service on the route.

Trustee Goodman asked Director Kyras to speak with the City of Ames Legal Department to find out if there are ways to secure agreements with developers on funding CyRide routes in these high density areas. He also said the City Council will need to be educated on the impact of development on transit as, under current policies, the transit board will have no choice but to ask the City for more funding. He indicated that this will be an ongoing situation as it is less expensive for developers to build on the outskirts of Ames where student transit choices are limited.

Director Kyras requested consideration by the board to allow staff to prepare a second budget option for the December board meeting with the weekday Gray route service included, as she indicated that with full occupancy at the Copper Beech complex next year, additional buses would need to be added to provide capacity so there would be more costs incurred on this route even without funding the weekday Gray route proposal. She indicated that adding a bus would provide the needed capacity as well as improve the overall service for its riders.

Trustee Goodman suggested holding back on the additional service for Gray route and the Red route so as to bring pressure on the developers and ask them to participate. By consensus the transit board agreed to allow staff to calculate a second option for consideration. She indicated that based on the day's conversations, both options would be at the current local party shares.

ADJOURN: Transit board meeting adjourned at 11:36 am.

President, Zachary Murrell

Recording Secretary, Joanne Van Dyke