

AMES, IOWA

December 4, 2014

The Ames Transit Agency Board of Trustees met on December 4, 2014 at 8:00 a.m. in the CyRide Conference room. President Murrell called the meeting to order at 8:04 a.m. with Trustees Madden, Haila, Murrell and Schainker present. Absent: Trustees Abbas and Goodman.

APPROVAL OF MINUTES: Trustee Madden made a motion to adopt the October 21, 2014 minutes. Motion seconded by Trustee Haila. (Ayes: Four. Nays: None.) Motion carried.

Board members present decided to further review the November 15, 2014 board minutes for action at their January 2015 meeting.

RECOGNITION OF OUTGOING BOARD MEMBER: Trustee Madden thanked President Murrell for his service on the Ames Transit Agency Board of Trustees since May of 2013. He noted the contribution that President Murrell had made at a challenging time with record ridership and wished him the best of luck on his international semester in Spain.

FUEL PURCHASE BIDS: Director Kyras referred to the October board meeting discussion regarding fuel purchases and updated the transit board on staff activities since that meeting. She indicated that Rich Leners and the City of Ames Purchasing Department had prepared a fuel bid that included diesel and up to 20% biodiesel, indicating that higher levels of biodiesel had become financially feasible as a result of federal regulation changes. She indicated that seven bids had been received. The list of bidders was narrowed to the two most competitive bids and an analysis completed using historical fuel use data and current bid pricing. It was determined that REG Energy was the lowest bidder.

Trustee Abbas arrived at 8:09 a.m.

She further explained that in order to purchase fuel for the year, the Transit Board would need to consider approval of the bid award for the processing and delivery of the fuel and setting a "not-to-exceed" amount for fuel. She then explained the process of calculating fuel cost as detailed in the board packet information.

Trustee Haila moved to approve Alternative #1 and award the purchase of fuel during calendar year 2015 to REG Energy with the lowest cost bid at \$.0245 above the rack rate for diesel and \$-0.9000 below the rack rate for biodiesel and established the maximum cost of its fuel purchases for the year of up to \$1,200,506.20 based on the market rate. Motion seconded by Trustee Madden. (Ayes: Four. Nays: None.) Motion carried.

BUS STOP IMPROVEMENT PLAN: Director Kyras briefly explained CyRide’s bus stop and shelter program developed in the fall of 2008. She then detailed the funding source for this program - federal Section 5310. This program provides \$231,000 annually, at an 80% federal share, for three types of expenses – Dial-A-Ride services, capital for the Dial-A-Ride program and for bus stop improvements. CyRide has allocated \$40,000 of this federal funding per year for bus stop improvements. She also indicated that there was a balance of \$196,000 available for bus stop improvements and referred board members to the chart in the board packet information that provided an estimated cost for various types of stop improvements. Finally, she also shared that bus stop improvements were also regulated by federal Title VI requirements, which state that amenities must be equally placed on minority and non-minority routes, indicating that this criterion dictated how these improvements were prioritized and placed throughout the community.

Trustee Haila asked for clarification on the \$231,000 annual funds, inquiring about the Dial-A-Ride program’s annual cost compared to available federal funding. Director Kyras explained that the current year’s anticipated expenses were \$185,000; leaving approximately \$46,000 for either Dial-A-Ride capital (buses) or bus stop improvements and that CyRide currently had several years’ worth of funding available. She also indicated that CyRide’s Dial-A-Ride bus currently leased to HIRTA was 7 years old, past its useful life of 4 years and was near the bottom of the state’s priority for replacement.

Barbara Neal, CyRide’s Operations Supervisor, shared with board members the bus stops that have been improvement this past summer, including a PowerPoint presentation showing the before and after locations, and then detailed the anticipated stops that were to be improved in the next fiscal year, depending on timing and property owner approval/processes.

The stops that were improved this past summer were:

- Ontario & Delaware
- Union Dr & St. Services
- Beyer Hall
- Mortensen & Dotson
- Lincoln Way & Beedle
- Bloomington & Roy Key
- Storm & Welch
- Mortensen & Hayward
- S. 16th & Creekside
- S. Duff & Chestnut

Stops anticipated to be improved in 2015 are:

- Ontario & Georgia
- Lower Friley
- Mortenson & Coconino
- Mortenson & Pinon
- Lincoln Way & Marshall
- Welch Rd & Friley Food Dock
- General Services
- Gerdin Hall
- Stange Road & Bloomington
- Stange & Aspen

Trustee Madden mentioned the absence of trash receptacles at bus stops and Barbara Neal said they do not typically put receptacles at the bus stops because there is a cost and maintenance associated with this improvement and not every property owner wants a trash receptacle at their business. She indicated that all campus stops do include trash receptacles as well as at shelter locations.

Trustee Madden shared his concern with Wal-Mart carts being visible from Duff. He asked whether anyone had spoken with the Wal-Mart Manager and if there a solution. Barbara Neal indicated that she had spoken with the Wal-Mart manager about installing a cart perimeter, which would keep carts on their property. The manager asked about the possibility of changing CyRide's route to travel near their store. Ms. Neal indicated that in previous examinations of this possibility that this option would cost CyRide an additional \$250,000 and, as a result, CyRide had been unable to fund this route change. Ms. Neal also shared that placing a cart coral at CyRide's current bus stop would encourage more people to take the carts off of Wal-Mart's property, and further, that there is not adequate space to accommodate this infrastructure. Trustee Madden indicated that this situation was a challenge and that it might be a valuable discussion with students to determine if this route change was a priority for them to fund. Trustee Abbas indicated that he would speak with the Government of the Student Body on this issue.

Trustee Haila made a motion to research, with Wal-Mart, ISU, and students, the possibility of a route change that would allow a stop near Wal-Mart and to report back to the transit board with the route alignment, cost and potential funding. Trustee Madden seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

2015-2016 OPERATING BUDGET: Director Kyras explained that the information contained in this agenda item reflected the 2015-2016 budget, based on discussions and parameters over the previous several board meetings, as well as a status update on the current budget. She started with the current year expenses, revenues and closing balances as highlighted below.

- Expenses are higher by approximately 4% reflecting the additional 10 hours of service per day not included in the budget, but operated in the previous budget. She indicated that the Government of the Student Body had agreed to pay for this additional service.
- NextBus expenses were funded 100% by students for the first three years of its operation and will move from the capital budget to the operating budget to better reflect the type of expense (annual software hosting/maintenance) through the current local funding model - 65% GSB, 24% City and 11% ISU. She indicated that the local funding shares were a result of the November 15, 2014 board meeting where it was agreed by board members that all future expenses would remain at this local party share model.

- Fuel savings is lower than budgeted, averaging \$2.95 per gallon year-to-date, which could provide a year-end savings of approximately \$80,000.
- Revenue is lower by 3.4% as a result of lower farebox and pass sales revenue, which is approximately 15% lower than budgeted. Staff will monitor this revenue to determine if this is a trend and to get a better understanding of the reason why this revenue is lower.
- Closing balances - Operating budget closing balance is anticipated to be \$941,000 at the end of the year, representing a 9.6% fund balance; the capital closing balance in the adopted budget was \$497,942 and is decreasing to \$410,248; the GSB fund balance will be reduced to \$865,000, as planned.

Mr. Kyras then detailed the assumptions for the 2015/16 budget development, which include:

- Health insurance will increase 9%
- Payroll is 6.2% higher as a result of hiring additional drivers due to increased ridership
- Transferring \$800,000 from the operating to capital budget to fund buses, shop equipment, and repair the facility.
- State funding is anticipated to be \$26,500 higher; federal \$82,658 higher
- Last year of the AMOCO loan repayment for the Intermodal Facility
- Additional administrative expense for Transit Coordinator transition

She then explained the two options that had been prepared for board consideration, based on previous board direction. Budget Option 1 represents the baseline level of service plus five additional hours of service per weekday. Funding of this option includes: the existing three party funding shares for the current level of service and capital; 100% GSB funding for the five additional hours of service per weekday. Budget Option 2 is the same as Option 1 plus additional service on the Gray Route during the weekday by adding 1 bus, improving services from a bus every 40 minutes to every 20 minutes during the hours of 8:00 a.m. until 10:00 p.m., from campus to S. Duff. The service would include going directly to Veterinary Medicine. Funding of this option would be the same as Option #1 with the Gary route service addition at current local funding shares, per discussion at the November 15, 2014 board meeting.

Trustee Schainker shared with other board members the desire by Trustee Goodman and members of the Ames City Council to hold a joint Council/Board workshop, possibly in March 2015, to discuss local funding for CyRide services in preparation for the 2016-2017 budget.

A discussion ensued regarding timing of the discussion in light of Trustee Murrell's departure and new GSB leadership in March. Director Kyras introduced Abhijit Patwa, who was present at the meeting and will be filling the term vacated by Trustee Murrell.

Director Kyras shared the budget impact of Option 1 and Option 2 showing total expenses, dollar change, and percentage change as well as the dollars that would be needed from the GSB Trust Fund contribution.

Trustee Schainker shared that he supports option 1. Further he indicated that he believed that costs would continue to rise as enrollment/ridership increased and that that trying to support more services, such as in option 2, was unsustainable. He indicated that if additional service was needed on the Gray route, it could be taken from the additional five hours per day in option 1.

Trustee Madden indicated that he believes that option 2 was a reasonable increase in service level given the number of students living along the Gray route as a result of development and further indicated that he believed that board members had agreed, at the November 15, 2014 special transit board meeting, to not change the current local funding split in the future.

A lengthy discussion ensued as to board members understanding of the local funding discussion at the November 15, 2014 meeting and the two options. Trustee Schainker raised concern as to future funding commitments referencing the NextBus expenses that were paid by GSB for the first three years and now were being paid for by all three local funding agencies as a result of the November meeting agreement. He also shared a concern regarding Copper Beech's commitment for three years to fund the Gray route and whether this same situation would occur at the end of the three years, which would put more pressure on local funding of the transit system. He shared that the unlimited student rides were generating too much ridership and as a result, expenses.

Trustee Madden shared that enrollment was starting to level off and unless additional apartments are built in other locations, he believed ridership would begin to stabilize.

President Murrell shared his thoughts that CyRide would need to provide an additional bus next year as a result of full occupancy at Copper Beech and CyRide's policy to not leave passengers at the bus stop. Further, he indicated that option 2 would allow for a better schedule to meet that demand. He indicated that he believed that the transit board agreed to retain the current local funding shares and was disappointed that the transit board was once again having a local funding conversation. President Murrell directed board members to the funding chart, indicating that the difference between the two options for the city was \$19,250. Trustee Schainker shared that it was a philosophical issue as opposed to a large budget impact.

Trustee Haila shared his understanding of the local share discussion at the November 15, 2014 meeting. He indicated that he believed that the board had approved a service level philosophy that was directed toward existing routes and not to continue to add routes as a result of development.

Trustee Madden again stated that he supported Option 2 indicating that students are willing to pay their share for additional services.

Trustee Schainker shared his belief that as costs increase, all parties are not paying proportionally and that based on the cost per ride, student fees are not covering CyRide costs.

Trustee Madden shared that CyRide adds extras if people are standing and would most likely need to do this on the Gray route so changing service from a bus every 40 minutes to 20 minutes, he believed, was a rational level of service.

President Murrell shared a concern that students were being asked to contribute a higher percentage of local dollars; however, there was no discussion of additional representation on the board. He suggested that any conversation of this nature should include this topic as well. Further, he questioned the thinking that option 1 was the best option, stating that CyRide would be putting additional resources on this route anyway suggesting that option 2 provided the capacity, but in a better way for the riders. He indicated that if option 1 were chosen, that CyRide would need to ask students for additional dollars anyway for the service, after-the-fact.

Trustee Schainker stated that he did not remember requesting a second option. Director Kyras indicated that at the November 15, 2014 meeting, she had asked board members to be able to provide this information for consideration due to staff's belief that additional resources would be needed on this route next year.

Trustee Madden confirmed the addition of option 2 for consideration. Trustee Madden acknowledged the fact that the City had to weigh their portion of the local dollars with other city requests for services, but indicated that he believed option 2 was a reasonable request to support transit within the city.

Trustee Schainker shared that city funding was limited and that he was not comfortable with this level of increase.

Trustee Madden made a motion to adopt Alternative #3 for a total budget of \$10,076,253 with equal shares (64% GSB, 24% City, 11% ISU on all expenses, except the five additional hours per day at 100% GSB) of the three funding parties. Motion seconded by Trustee Abbas.

Trustee Haila shared with board members his concern regarding service to new developments and his belief that meeting the needs of development was not sustainable. He specifically referenced the proposed development south of Lowe's. A discussion ensued regarding the locations where proposed large housing developments were being considered. Trustee Haila's stated that developers interested in building apartment complexes, should be part of the conversation regarding public transit

services. President Murrell expressed his opinion that CyRide cannot leave passengers at the bus stop and needed to provide the service level required to meet rider's needs. Trustee Haila indicated that he did not disagree, but believes there has to be a conversation with developers in order for the service to be sustainable into the future and revenues need to increase.

Trustee Madden shared with board members that the Board of Regents had approved CyRide's requested fee increase for the 2015-2016 school year.

President Murrell called for a vote on the motion, moved and seconded, to adopt Alternative #3 (to approved budget option 2). (Ayes: Three: Trustee Madden, Abbas, and Haila. Nays: one, Trustee Schainker.) Motion carried.

FIVE YEAR CAPITAL IMPROVEMENT PLAN: Director Kyras stated that each year the transit board approves a five year capital improvement plan (CIP) with a focus on the first year as these items will be purchased during the next fiscal year. Items in the other years of the plan will be brought back to the transit board for consideration in future plans.

Director Kyras detailed the 2015-2016 proposed purchases.

- Five used buses (\$125,000); no change from last CIP
- Articulated bus (\$2,000); travel for pre-production meeting
- One administrative vehicle (\$30,000) – replace Prius, will be 7 yrs. old, typically replace every 4 – 6 years
- One Dial-A-Ride bus (\$87,000); 85% federal dollars; low on Iowa DOT's bus replacement list
- Three HVAC units (\$60,000); first year of a multi-year project; replace 31 yr. old units
- Concrete replacement (\$75,000); crumbling surface at east end of facility. Trustee Haila suggested using a topical treatment, Salt Guard, on test panels to protect the concrete.
- Architectural and Engineering Services (\$25,000) for HVAC, bus hoist and separator pits design, cost estimating
- Bus hoists (\$50,000); beginning of a multi-year project; hoists are 31 years old
- Seven separator pits (\$375,000); 80% federal dollars, left over from building construction grant
- Seven computers (\$14,000); based on City of Ames replacement schedule
- Shop equipment (\$48,000); four items detailed in board packet information
- Bus stop improvements (\$50,000); discussed earlier in the meeting
- Bus security cameras (\$45,000); replace in five buses
- Building Security (\$30,000); multi-year project to secure maintenance shop and perimeter of building. FTA has building security concerns at every triennial review due to CyRide's lack of a fenced area.

Trustee Haila asked for clarification regarding funding for the HIRTA bus. Specifically, he questioned whether there was adequate funding for its purchase plus paying for bus stop improvements and the Dial-A-Ride operating expenses. Director Kyras told Trustee Haila that CyRide has at least three years of funding available at this time as the Dial-A-Ride operating expenses have been significantly less than the total annual allocation. She further clarified that the bus was the property of CyRide and if any contracting changes were implemented, that the bus would stay with CyRide for the operation of this service.

Trustee Abbas made a motion to approve Alternative #2 for the Five Year Capital Improvement Plan as presented. Seconded by Trustee Madden. (Ayes: Four. Nays: None.) Motion carried.

QUARTERLY OPERATIONS REPORT: Director Kyras provided highlights from July to September 2014.

- Ridership is 6.3% higher compared to the previous year.
- Revenue miles were higher because of the additional service.
- Operating revenue is lower as a result of lower farebox revenue.
- Operating expenses are higher at \$1.13 per passenger compared to \$1.06 per passenger last year.
- Fewer bus interiors were cleaned, however, the interior cleaning process was modified to clean one area on all buses at a time instead of one entire bus at a time.
- Fixed route accidents are lower, but costs are higher as a result of one major accident at the beginning of the school year.
- CyRide is carrying more passengers with less customer comments.
- CyRide continues to struggle with drivers reporting late
- DAR ridership is higher as a result of non-DAR customers being denied service. These individuals qualify for DAR and are switching to the program, as DAR does not allow trip denials.

Trustee Madden said he had heard concerns about customer's inability to talk with reservations staff. Director Kyras shared her perspective that there were busy times/days of the week, citing Monday mornings as a challenging time. As a result, customers were sometimes on hold longer before they could talk to a person. She indicated that there are areas where HIRTA service can continue to improve and indicated that HIRTA had indicated a willingness to consider suggestions. She also shared that some of the customer's expectations are not possible for the transit system.

Trustee Haila asked for an explanation of CyRide's process in contracting for Dial-A-Ride service. Director Kyras explained typically the process will start in March with a

customer satisfaction survey, followed by a report to the board in April, and consideration of a new contract in May-June.

Director Kyras provided an update on the HIRTA demand response discussion meetings. She indicated that two meetings have been held; a third meeting is scheduled for December 18 and a fourth meeting in January. A public input process is being developed that will occur between the third and fourth meeting.

Trustee Haila stated his desire to continue to work with HIRTA on passenger concerns and to hold them accountable.

Trustee Madden agreed that CyRide needs to continue to make contracting for DAR service work. He shared his insight into DAR issues that had been brought to his attention regarding passengers that work on campus, stating that he had found that the situation had two sides to the story.

TRANSIT DIRECTOR'S REPORT:

Director Kyras informed the transit board that the Iowa Public Transit Association, IPTA, was requesting that each transit system have conversations with their state legislators to make them aware of the bus capital issue. The State of Iowa state does not fund replacement bus capital; however, the association is requesting that they begin funding \$25 million per year statewide for the next five years. She indicated that she was in the process of scheduling this meeting and would let transit board members know when it could be scheduled.

SET SPRING SEMESTER MEETING TIMES AND PLACE:

Monday, January 12, 2015 at 8:00 a.m.
Wednesday, February 18, 2015 at 8:00 a.m.
Wednesday, March 25, 2015 at 8:00 a.m.
Wednesday, April 29, 2015 at 8:00 a.m.

ADJOURN: Transit board meeting adjourned at 8:58 am.

President, Zachary Murrell

Recording Secretary, Joanne Van Dyke