

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

August 20, 2015

The Ames Transit Agency Board of Trustees met on August 20, 2015 at 8:00 a.m. in the CyRide Conference room. President Haila called the meeting to order at 8:00 a.m. with Trustees Abbas, Gartin, Madden, Schainker, Haila and Teubert present.

APPROVAL OF MINUTES: Trustee Abbas made a motion to approve the July 20, 2015 minutes and seconded by Trustee Madden. (Ayes: Six. Nays: None.) Motion carried.

PUBLIC COMMENTS: None.

FEDERAL GRANT APPLICATION: Shari Atwood explained to the Transit Board that the application for consideration contained CyRide's federal operating dollars provided under Section 5307, which was submitted every year. She further explained that the funding request contained in the application was \$90,306 less than budgeted, as a result of the actual dollars generated by the formula allocation.

She then provided a brief explanation of the Small Transit Intensive Cities (STIC) funding program and how this program impacts CyRide. CyRide has historically achieved five of the six STIC categories and did again this year by obtaining an additional \$943,420 in federal formula funding, for a total of \$1,951,176. CyRide requests this allocation be placed in CyRide's operating program, with a portion of the funding then transferred to the capital budget to fund projects approved in the Capital Improvement Plan.

Director Kyras explained that, in light of the lower federal funding than anticipated, Trustee Gartin had requested that CyRide staff prepare a summary of budgeted revenues versus actual revenues known at this time for the current budget year. She further explained that the federal dollars were estimated at the time the budget was developed in November- December 2014 and, when the actual allocation was released in August 2015, it was lower due mainly to the lower STIC per criteria amount. She also relayed that state funding will be \$40,000 higher as well as fuel prices being favorable. She relayed that the end of the year 2014-2015 financial data was still being compiled by the City of Ames Finance Department, but that it appears CyRide's closing balance will grow to 12.9%, to a little over a million dollars to begin the current budget year.

Trustee Madden made a motion to approve Alternative #1 authorizing the Transit Director to execute and file a Section 5307 grant application in the amount of \$1,951,176 to the Federal Transit Administration. Motion seconded by Trustee Abbas. (Ayes: Six. Nays: None.) Motion carried.

Trustee Gartin mentioned that the City Council had a meeting scheduled with Congressman King for August 27, 2015 and asked CyRide staff if there were issues that the Council could discuss with Congressman King on behalf of the Transit Board.

Director Kyras stated that she would provide information to Trustee Gartin and Trustee Schainker regarding CyRide's STIC funding opportunity and the transit system's capital needs.

IOWA CLEAN AIR ATTAINMENT (ICAAP) Grant Application: Director Kyras informed the Transit Board that ICAAP grants are due in October 2015 and that CyRide will need to decide if it will be preparing an application this year. She provided an explanation of the source of ICAAP funding and its limitation that the federal dollars could be utilized for up to 80% of the cost for three years of a new service. Director Kyras said CyRide has funded expanded services, as well as the buses needed to operate these expanded services, with the use of ICAAP funding.

Director Kyras explained last year's ICAAP application and subsequent award - Green/Brown Route expansion, Blue Sunday service and two buses to support these services. These services/buses were approved by the Transit Board in the 2014-2015 budget and Capital Improvement Plan, as well as their continuation for a second year of the two operating projects as a part of the 2015-2016 budget. These services were to be funded 100% with student government funding, if the grant was not approved.

She then provided a history of the ICAAP and State Transit Assistance grants that CyRide staff had applied for last year to assist in financing the first three years of these services - state special project funding for the first year and ICAPP funding for the second and third years of these services. One year of the route improvements and funding for two buses was approved for implementation retroactively to October 1, 2015. As a result, \$158,333 in operating savings will be credited to the student government trust fund in the 2015-2016 budget. CyRide is eligible to apply for another year of these services in the October 2015 round of ICAAP applications. In addition, the new Plum Route would be eligible for this funding. Funding for these services could potentially provide a \$384,120 savings to the 2016-2017 budget and again reduce student government funding requirements.

In addition to the operating projects discussed for inclusion in a new ICAAP application, Director Kyras also indicated that one additional new 40' bus could be eligible for funding as well. She then provided information at the meeting showing a Capital Plan budget, which highlights the dollars that need to be transferred from the operating budget to the capital budget to fund CyRide's capital needs over the next three-year period. She indicated that traditionally \$800,000 per year had been transferred to support CyRide's annual capital needs. She indicated that this transfer amount would need to be increased to \$890,000 one year to fund an additional bus, if an additional bus was requested and approved in an ICAAP application submitted in October 2015.

Trustee Gartin asked why the Transit Board would not want to do this. Director Kyras responded that CyRide funding for both operating and capital needs was challenging and that including this in a request would require additional local funding, but, at the

same time, access federal dollars for bus capital at a time when other non-local funding sources are not available.

Trustee Madden shared his thoughts on the operating and capital challenge. He stated that lower fuel costs should save CyRide money in the current budget and that the operating balance will be increasing, but that he believes that the demand for service will continue to increase with enrollment increases. However, he indicated that these enrollment changes will also generate more student fee dollars. He also shared that the ISU student fee committee had approved the \$2 fee increase for next school year.

Trustee Teubert asked about the fuel contract and Director Kyras said CyRide does not have a fuel contract at this time and that CyRide purchases fuel at the market rate due to currently favorable fuel prices.

Trustee Schainker questioned the board's commitment to the new services contained in the ICAAP grant and approval of the Green/Brown weekday and Sunday Blue service costs. Director Kyras stated that the ICAAP grant last year provided a 2015-2016 budget year savings of \$158,333 and, if approved in a new ICAAP grant submitted this October, would provide a \$384,120 savings in the 2016-2017 budget year as well. She indicated that staff had planned on providing a credit to the GSB Trust Fund since these funds would be born 100% by the students under the approved Transit Board agreement. Discussion on the appropriate way to address this savings ensued – the appropriate amount of funding to credit each local partner and the method to accomplish this.

Trustee Madden shared his thoughts that CyRide should ask for a new bus in the proposed ICAAP grant because of the age of the fleet and the fact that operating costs will decrease with a new bus. Trustee Madden supports requesting a bus in the new application and that applying last year's savings as a result of the 2014 ICAAP grant would free up dollars to fund the additional local dollars needed to purchase a new bus if this was approved in a 2015 ICAAP grant application.

Trustee Gartin shared that on the surface leveraging \$91,000 in local dollars to receive \$364,000 in ICAAP federal funding was an easy decision. However, in a complex budget this may be more challenging to address. He shared a request for additional information in the future to make decisions of this nature, such as the impact on property taxes and student fees. He shared that he was uncomfortable in making decisions of this nature in a vacuum. Director Kyras indicated that it would be difficult to assess the impact of this single request on these levels as there were many revenue, expense and service level variables that set these rates.

Board members further discussed the appropriate level of funding from the three funding partners. Trustee Madden's shared a concern regarding how various parts of CyRide's service could/should be funded by the three local funding partners. He stated that the local dollars are placed in one account and, therefore, he believes discussion on who benefits from different parts of the service is counterproductive to CyRide's overall

needs. Further, he stated that having an uncommitted line item in the CyRide's capital budget to take advantage of unexpected funding opportunities could benefit CyRide. He indicated he could support this kind of commitment as offered by the Director as a solution to the unanticipated increase in local dollars.

Trustee Gartin reiterated his concern for looking at this request in isolation. Further, he stated that in the future he would like information on how it affects the operating budget.

Trustee Abbas assured Transit Board members of the student's commitment to continued funding for the operating projects in the approved and proposed ICAAP grants. He further stated that students support CyRide services in general and the funds required to meet its needs.

President Haila offered that this discussion could be brought back next month if more information was needed before the board voted on an alternative.

Trustee Abbas offered a motion to approve Alternative #1 to approve submission of an Iowa Clean Air Attainment Program grant application in an amount not-to-exceed \$748,120 for operating and capital expenses and motion seconded by Trustee Schainker. (Ayes: Six. Nays: None.) Motion carried.

CYRIDE DRIVER POSITION STAFFING TRENDS: Director Kyras informed the Transit Board that CyRide had more difficulty than usual in hiring an adequate number of drivers to meet its fall service demands. She then presented information on past ridership increases, the low unemployment level in Ames, which is 2.5%, and contrasted this with the increase in need for drivers. She provided insight into the historical increase in the number of driving hours, number of drivers hired and overtime pay.

President Haila questioned the amount of overtime that was typical compared to current levels. Tom Davenport stated that CyRide was currently paying around a \$30,000 premium at current levels for overtime compared to a full driving staff level.

Director Kyras then presented demographic information regarding CyRide's driving staff. She indicated that out of approximately 140 drivers, only 24 are full-time employees as a result of CyRide's reduced service level in the summer without ISU student ridership, that it takes five to six years to become eligible for full-time employment, and that 30% of CyRide's drivers are ISU students.

Director Kyras then described CyRide's hiring and training program indicating the locations where/how CyRide advertised open positions and CyRide's five-year hiring/training history. She indicated that the summer hiring/training goal continues to increase every year to keep pace with CyRide's growing ridership, which is a challenge in a small community with low unemployment.

Recent trends have further challenged the process as fewer applicants are choosing to apply, accept employment once they have completed their interview and then more employees have left CyRide employment during the training process. She shared the current summer hiring statistics - 41 job offers, 24 started with an average of 2-6 applicants per hiring period. She indicated that CyRide currently needed an additional 15 – 20 drivers to be fully employed. She expressed concern that management staff would need to drive during periods of the day until more drivers could be hired/trained.

She then provided information on CyRide's driver retention and reasons for employees to terminate their employment. With 25% turnover in the driver's position each year, employees left CyRide because student driver's graduated, drivers found full-time employment, challenges with getting time-off when needed, etc.

Trustee Gartin asked two questions – average age of CyRide drivers and if student drivers continue their employment after graduating from ISU. Director Kyras indicated that the average age was approximately 30 and that many students continue to drive for CyRide until they secured a job in their field or some have made CyRide their employment of choice after college.

Trustee Madden asked if CyRide's collective bargaining agreement covers student drivers. Director Kyras indicated that all drivers, student and non-student, are covered by a collective bargaining agreement.

Trustee Madden mentioned that Iowa State University gives work study students a pay increase of 25 cents an hour for every semester they continue employment with Iowa State University. Further, he stated that they know their pay is going to increase because they are committed. He suggested that perhaps CyRide should think about a tuition or scholarship program for drivers that is tax-free income.

Trustee Madden also shared that Iowa State has a priority class scheduling program where drivers could possibly be included in this plan, which would allow them to sign up for classes before other students. Trustee Teubert said this would interest him if he could get priority scheduling and perhaps it would provide an incentive for others to apply for work at CyRide. Trustee Madden said that he would be receptive to exploring this as an option for student employment. Trustee Schainker stated that the union agreement covers all employees that work 20 hours or more per week and since almost all drivers work at least 20 hours, per CyRide's encouragement, student drivers would be covered by the union agreement.

President Haila asked Director Kyras to provide additional information that could help address the issue of having an adequate number of drivers: current tuition reimbursement options for employees, allowing CyRide driver's priority for classes; average age for full time employees, retirements and the average length of time driver's were employed at CyRide.

Trustee Gartin asked Director Kyras if there were any trends seen by CyRide staff such as: more rapid turnover; pay for full-timers; what the average length of time is for drivers. She indicated that some of this information would be addressed in the closed session discussion leading to union negotiations.

President Haila shared that he believes the biggest challenge is that only 24 full-time drivers can be employed out of 140 drivers.

TRANSIT DIRECTOR'S REPORT:

The City Council is scheduling their workshops sessions and the Transit Board is scheduled for a joint meeting with the Council on October 20, 2015 at 6:00 pm. Director Kyras asked if there is any information the Transit Board would like staff to prepare for this meeting.

President Haila inquired about identifying areas for prime development and determining how these areas compared to CyRide's route structure. Trustee Gartin indicated that the City Council has had previous discussions about development's impact on transit.

Trustee Teubert mentioned that he believes it would be interesting to map student's addresses to determine where the concentration of students are located as compared to where they are moving to. Trustee Madden stated that the University could provide this information. Further, he believes this would benefit the Mayor and City Council as they make development decisions and perhaps provide an incentive for developers to locate in areas where transit services are adequate. Trustee Schainker shared that he believes this map would allow for the community to be more proactive and to strategically make development and transit decisions.

Trustee Abbas shared his perspective that developers tend to gravitate to available land in the outskirts of the city, as land is less costly to develop in these areas. This then forces commercial retail development to other areas and creates a challenge for transit to serve all the community's needs. He shared the example of the Super Wal-Mart on South Duff in Ames.

President Haila asked about a system redesign. Director Kyras said CyRide could hire a consultant to help complete this task, but studies of this nature would require a financial commitment from the Transit Board.

Trustee Gartin thought it important that the Transit Board consider the discussion with Rick Sanders about developing a route to Nevada for Ames residents to make court appointments and complete business. CyRide staff told Trustee Gartin that CyRide would lose federal dollars if they travelled to Nevada due to the manner in which the federal dollars are distributed to transit systems the size of CyRide. By travelling in lower density areas of the county, CyRide would lose federal dollars. Director Kyras said

HIRTA would be able to transport passengers to Nevada for their appointments, instead of CyRide, without this same impact.

Board members discussed CyRide's service levels and how this impacts CyRide's ability to employ individuals throughout the year. Director Kyras indicated that since the summer time employment is so much smaller, it is a challenge to retain non-students. She indicated that since CyRide has grown significantly from 4.1 to almost 7 million riders over a few years, it might be time to revisit CyRide's route structure through a System Redesign project where a consultant could assist staff and the board in determining if the current system provides the most efficient method of service delivery in a higher demand environment. President Haila shared his support for being proactive on this issue.

Trustee Gartin asked if CyRide has enough internal staff to complete this project or whether there is a need for outside expertise. Director Kyras said that because the project is beyond CyRide staff's workload ability, she would suggest hiring a consultant for the study. She also indicated that a consultant can bring experiences from other communities into the design process. She indicated that staff could develop a scope of work and cost estimate upon completion of the Orange Route Study.

Trustee Gartin moved to start the process of developing an RFP and encouraged CyRide staff to talk with their peers in other transit systems and to take advantage of their knowledge.

President Haila inquired what the cost would be for a System Redesign project and if there were planning grants available to offset the consultant cost. Director Kyras indicated that staff would need to research the cost and that she was not aware of any grants to support this expenditure.

Trustee Abbas seconded the motion on the floor. (Ayes: Six: Nays: None.) Motion carried.

ANTICIPATED CLOSED SESSION REGARDING LABOR NEGOTIATIONS: Trustee Abbas moved approval for a closed session pursuant to Section 20.17, Subsection 3, Code of Iowa, to discuss matters relating to contract negotiations and motion seconded by Trustee Teubert.

Trustee Gartin asked for clarification on the legal authority for the closed session. Director Kyras informed the Transit Board that the Assistant City Attorney, Mark Lambert, researched the section of the Iowa Code that would address discussions regarding labor negotiations. Trustee Madden shared concerns about not having legal representation to guide board members through a closed session. After a discussion about these concerns, the Transit Board motioned to postpone this item for one month. (Ayes: Six. Nays: None.) Motion carried.

Board members then discussed questions they would like clarified or direction for the next meeting:

- Does an agency of the city have the authority to go into a closed session?
- Trustee Gartin suggested following the League of City, City Council process and advised that legal counsel be present to keep the meeting on topic.
- Are ISU students covered by the collective bargaining agreement as they are exempt from ISU labor agreements?

An informal discussion of issues related to CyRide's struggle for drivers ensued. A discussion of the CDL regulation change in July 2015 and its impact was discussed. Barbara Neal, CyRide's Operation's Supervisor, indicated that this change has extended the driver training period from approximately 54 days to a little over two months. Director Kyras shared one suggestion to begin to address this issue - raise the instructor pay rate, which could encourage more drivers to become instructors; however, this would require changing the collective bargaining agreement. She indicated that it is challenging to encouraging CyRide drivers to become instructors because of the stress of driving a scheduled trip and trying to teach at the same time. The Transit Board asked staff to provide information on ideas that would impact the budget as well.

President Haila shared his concern regarding CyRide Administration driving buses and being unavailable for other important tasks of the agency. Barbara Neal explained that the availability of overtime work for the drivers had recently been posted and that drivers had just begun signing up for this work, so she was unsure of the extent to which administrative assistance would be needed. Further, she shared that typically the first two weeks are the busiest and after two weeks, CyRide can reduce the number of extra buses needed for the service. Director Kyras indicated that in her discussion with peer transit agencies in Iowa, that the driver shortage was affecting the entire state, indicating that CAMBUS, which serves the University of Iowa, reduced services last year as a result of their driver shortage. Barbara Neal informed the Transit Board that CyRide will not need to cut a scheduled route.

President Haila called for a motion to adjourn.

Director Kyras shared that before the meeting was adjourned, that she would need to schedule a Transit Board conference call meeting the following week to discuss a bid for a capital improvement project. The Transit Board set the conference call meeting date/time for Tuesday, August 25, 2015 at 8:00 a.m.

Meeting adjourned at 9:36 a.m.