

AMES TRANSIT AGENCY BOARD OF TRUSTEES
CYRIDE CONFERENCE ROOM

October 29, 2015

1. CALL TO ORDER: 4:00 P.M.
2. Approval of September 24, 2015 Minutes
3. Public Comments
4. 2016-2017 Potential Service Changes
5. 2016-2017 Budget Assumptions
6. Transit Director's Report
7. Set Meeting Time and Place:
 - December 3, 2015 – 8 A.M.
8. Adjourn

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

September 24, 2015

The Ames Transit Agency Board of Trustees met on September 24, 2015 at 4:00 p.m. in the CyRide Conference room. President Haila called the meeting to order at 4:04 p.m. with Trustees Abbas, Madden, Haila and Teubert present. Absent: Trustees Gartin and Schainker.

APPROVAL OF MINUTES: Trustee Abbas made a motion to approve the August 20, 2015 minutes and August 25, 2015 minutes. Seconded by Trustee Madden. (Ayes: Four. Nays: None.) Motion carried.

PUBLIC COMMENTS: None.

FINANCIAL REPORTS (2014-2015 YEAR END & 2015-2016 UPDATE): Director Kyras informed the transit board that staff had prepared two analyses updating the financial condition of CyRide – one for the 2014-2015 budget year-end status (pre-audit) and a second one for the 2015-2016 year-to-date accounting of revenue and expense variations.

She indicated that last year's budget analysis compares the **amended** 14-15 to the **actual** 2014-2015 revenues and expenses as opposed to the originally **adopted** budget, noting that the amended budget reflects a more accurate estimate based on four months data, as opposed to six months prior to the budget year starting.

Director Kyras then explained that the overall operating expenses were under budget by \$262,027, a -2.71% change. Specifically, the fixed route expenses were \$261,022 under budget for a -3.8% decrease from the amended budget, mainly due to lower fuel expenses. Further, she stated that CyRide budgeted \$3.50 per gallon in the amended budget and that the actual average price per gallon was \$2.39. She then explained that ISU's student government had purchased \$86,000 more in service to meet CyRide's increasing demand and that CyRide had paid more in overtime wages to drivers for a total of \$101,238.

The Dial-A-Ride expenses were then discussed as being under the amended budget by \$2,598, -1.5%, due to the lower than anticipated ridership.

Director Kyras indicated that administrative expenses were a little over budget, \$1,953 or +.11%, with no major variations accounting for this change.

She then discussed the status of operating revenues. Total revenues increased by \$108,999 or a 1.07% increase. Two sources were higher than anticipated at the time of budget amendments - state operating assistance being higher by \$37,250, and the Government of the Student Body provided \$86,000 to fund additional service to match the additional expenses incurred.

Finally, she explained CyRide's closing balance of \$2,841,386, which includes the student trust fund, operating and capital budget balances. She indicated that the student's trust fund balance at the end of the fiscal year was \$804,634, which is lower than the previous year on purpose. Student government representatives had requested that this balance be reduced to approximately \$500,000 so that more of their funding was being used to provide services instead of accumulated in a reserve account.

Director Kyras stated that the operating fund balance is higher than anticipated in the amended budget - increasing from its anticipated 9.0% to 13.2%, mainly due to lower fuel prices. This leaves a balance in this fund of over \$1.2 million dollars.

She indicated that the ending capital fund balance was \$794,951.

President Haila asked for clarification on what can and cannot be paid for out of the operating and capital general funds. Tom Davenport, CyRide's Transit Coordinator, responded saying that CyRide has one closing balance, but chooses to report it separately to keep track of the student's dollars and to identify the dollars CyRide spends on capital items. As a result, dollars can flow between accounts, with the exception of the student's trust fund. Director Kyras added that the Three-Party Agreement between the local funding partners delineates how, and for what purposes, the student's portion of the balance can be used.

Director Kyras then detailed year-to-date variations on the 2015-2016 budget. She indicated that with just two month's experience, it was early in the year to make predictions on actual expenditures for the year. However, she indicated that two revenues and two expenses would be, or were trending differently than originally budgeted. On the revenue side, federal assistance would be \$90,000 less and state assistance is trending higher, anticipated to be \$87,883 more than budgeted.

On the expense side, fuel costs in the original budget were \$3.50 a gallon and CyRide's actual cost to-date is \$1.92. Director Kyras stated that, assuming it remains around this level, it could be \$300,000 less than budgeted. Additionally, CIT Transportation expenses were not included in the original budget and would increase expenses by \$113,780. She indicated that, in total, expenses would be \$186,220 less than budgeted and revenues \$2,354 less. She indicated that with the higher ending balance last fiscal year and lower expenses due to fuel prices this year, CyRide was in a strong financial position at this time.

President Haila asked what price per gallon was used to calculate the fuel savings. Tom Davenport indicated that he used a conservative number of \$2.40 per gallon for the remainder of the year.

President Haila asked if staff was contemplating the need for additional service or routes in the future. Director Kyras responded that CyRide would provide the board with possible service changes for the next budget year at the October 2015 transit board

meeting. Director Kyras also indicated that the next budget would need to include service contracting (CIT) and a second facility site rental.

TRANSIT DIRECTOR'S REPORT: Director Kyras reported on five items – ridership first two weeks of class, meetings with the Iowa DOT Director, materials for the joint Council-Board meeting, budget preparations and demographic information of CyRide drivers.

- **Ridership for the First Two Weeks of School** - CyRide staff compared ridership for the first two weeks of class this year as opposed to 2014, indicating a .5% increase over last year, which is significantly lower than recent years. The chart provided in the meeting packet included the increases and decreases on specific routes. CyRide staff shared its belief that the recent mild weather had a big impact. As the weather turns colder, ridership could increase. CyRide's Director also stated that the large number of new apartment just south of campus may be lessening the impact of higher enrollment.

A discussion regarding the new Plum Route and its impact on the Orange Route was discussed.

Trustee Madden asked if CyRide staff had any information regarding the impact that Uber or bicycles were having on campus travel. Director Kyras indicated that she was not aware of these impacts.

Trustee Teubert inquired about the lower Moonlight Express numbers was a result of alternative transportation. Tom Davenport, CyRide's Transit Coordinator, mentioned MLX number is affected by football games and its resulting ridership, with the Moonlight Express ridership increasing 3,000 rides for the Iowa State/Iowa game.

Trustee Haila inquired about whether CyRide management staff was still driving buses due to CyRide's driver shortage. Director Kyras indicated that two or three administrative staff were still driving for short periods of time each day; however, some new drivers will be coming out of training soon. She indicated that it would take time to hire/train enough staff to reduce the shortage. President Haila reiterated his support for a solution discussed at the September meeting to allow CyRide drivers to sign up for classes before other students.

- **Meeting with IDOT Director** - Director Kyras and other Iowa Public Transit representatives met the IDOT to request support from the department in addressing Iowa transit system's capital needs. She shared the IDOT Director's thoughts that they would not be able to assist this year in supporting this effort and that his direction was to make this year a time when transit system's educated their legislators on the need.
- **Joint Council-Transit Board Materials** - Director Kyras reminded the transit board of the joint Transit Board/City Council meeting scheduled for October 20, 2015 at 6:00 p.m. and indicated that CyRide would send out information for this meeting. She shared with board members the three pieces of information staff was preparing for this meeting.

- **2016-2017 Budget Preparations** – Director Kyras shared that possible service changes for consideration for next year’s budget will be presented at the October Ames Transit Agency meeting. President Haila inquired about whether the Ames Mobility 2040 Plan would have any impact on CyRide services. Director Kyras stated that CyRide staff had assisted in preparing the transit projects included in this plan and that a majority of the projects that were included were considered “illustrative,” meaning they were currently unfunded, but could be included if funding was identified.
- **Driver Demographics** – Director Kyras stated that at the September transit board meeting questions about driver’s age and length of service arose. She indicated that staff had prepared information regarding current drivers in these two areas. She presented the results of this analysis indicating that CyRide currently employed 145 drivers, of which 53 were students and 92 were non-students. She indicated the average, range and a breakdown of the number of drivers for both their age and length of service.

ANTICIPATED CLOSED SESSION: Director Kyras introduced Mark Lambert, Assistant City Attorney to direct the closed session. President Haila asked Mr. Lambert if CyRide has the legal justification for going into closed session and Mr. Lambert indicated that it did.

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. (Ayes: Five: Nays: None.) The meeting was then placed in closed session at 4:33 p.m.

President Haila acknowledged Tom Davenport, CyRide’s Transit Coordinator, for his 25 years of service and indicated that he will be retiring on September 30, 2015. He shared that Tom has brought a wealth of information and expertise to the agency and to the board and that on behalf of the transit board he would be missed. Further, he indicated that because of Tom’s efforts, he had supported CyRide in its journey and wished him well in retirement.

Trustee Abbas made a motion to adjourn the meeting and seconded by Trustee Teubert. (Ayes: Five. Nays: None.) Motion carried.

Meeting adjourned at 5:40 p.m.

Next Meeting: Thursday, October 29 at 4:00 p.m.

John Haila, President

Joanne Van Dyke, Recording Secretary

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: October 29, 2015
SUBJECT: 2016-2017 Potential Service Changes

BACKGROUND: Year-after-year of record ridership can make for a challenge to match community expectations to service levels and can create internal pressures for more transit resources. An examination of areas where challenges are currently occurring will assist in determining if modifications can be possible during the 2016-2017 budget preparations and discussions. Discussion of these challenges with the Transit Board of Trustees will aid staff in the development of 2016-2017 budget alternatives for the board's review in December 2015.

INFORMATION: In preparation for the 2016-2017 budget discussions, CyRide staff has developed two pieces of information: background information and service proposals for consideration. Each will be discussed below.

Background Information

CyRide has experienced eight years in a row of **record** ridership and ten years of **increasing** ridership, mainly in response to higher enrollment levels at Iowa State University. The table on the next page shows this previous record level, the record years and anticipated ridership in the current and next budget year.

Year	Ridership Level	Increased Rides	# of Additional Peak Buses
2003-2004	4,787,637		
2005-2006	4,173,208		0
2006-2007	4,314,151	+140,943	7
2007-2008	4,646,554	+332,403	0
2008-2009	5,002,146	+355,592	4
2009-2010	5,377,155	+375,009	6
2010-2011	5,447,289	+70,134	6
2011-2012	5,759,883	+312,594	0
2012-2013	5,892,786	+132,903	3
2013-2014	6,619,182	+726,396	5
2014-2015	6,711,665	+92,483	4
2015-2016	6,900,000 (est.)	+188,335	6*
Total		+2,726,792	41

* Two buses are operated by CIT

Previous record high

Recent record highs

In looking forward to the future, the draft University enrollment projections recently released call for varying levels of increased/decreased enrollment over the next ten years as follows:

Current	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
36,001	36,541	36,807	36,961	37,027	37,085	37,074	37,121	37,189	37,379	37,604
	+540	+266	+154	+66	+58	-11	+47	+68	+190	+225

With steady to slightly increasing enrollment over a longer period of time and with a challenging fiscal environment, CyRide will need to begin to balance needs and funding as it begins the 2016-2017 budget process. The following describes the service levels that staff has identified to successfully meet ridership demands in the 2016-2017 budget year.

Service Proposals

There are several ridership trends occurring to-date that require consideration of service modifications or additions to address this ridership/enrollment trend. There are as follows:

- While there is a only a 2.4% weekday ridership increase year-to-date, when colder weather occurs, CyRide staff believes that ridership will be at least 3% higher than last year. Additionally, ISU enrollment is anticipated to increase again next year.
- CyRide is experiencing higher ridership in the evenings as a result of more evening classes creating new overloading concerns at this time of day.

Additionally, in reviewing the trends and developing the service proposals below, each proposal was given a priority rating based upon the service priorities approved by the Transit Board at the November 2015 meeting, as stated below:

- **Priority #1** – Capacity Change
- **Priority #2** – Improve Existing Service
- **Priority #3** – New Service

Additional Hours of Service 2015-2016: Priority #1

To meet increasing enrollment, CyRide staff has added buses to existing service to meet increased demand on trips that experience overcrowding issues, with some single bus trips requiring up to seven buses to carry the number of customers desiring that trip.

Based on past trends and potential enrollment increases in 2016-2017 estimated at 540 additional students, CyRide recommends increasing service by five hours per weekday to meet overcrowding that is anticipated to occur as these additional trips will happen at currently high ridership periods, just prior to and after class change times. In comparison, CyRide increased five hours in the last budget and ten hours per weekday in the two budgets prior to that.

Estimated Annual Cost: \$82,240

Additional Prep Time for Drivers: Staff Priority #1

As a result of a fully occupied bus storage building and an anticipated 17 buses parked outside beginning next fall, “unpacking” buses to begin service each morning has become a challenge. CyRide currently has a lane worker that arrives at 5:00 am to begin this process, but CyRide finds that with more vehicles tightly packed together, this is taking longer and creating operational issues in the morning. As a result, CyRide would add two additional minutes to each driver’s work schedule for buses beginning service from the garage each morning to assist with this process.

Estimated Annual Cost: \$15,000

Additional Night Service: Priority #1

With enrollment increases at ISU, more evening classes are now being provided to students, which have impacted the number of rides CyRide provides in the evening. CyRide is currently experiencing overcrowding issues on three routes in the system as a result of this class time shift - #1A Red Route (Ames Middle School to campus only), #3 Blue Route and #23 Orange Route. Therefore, CyRide proposes the following:

#1 A Red Route – One additional bus would be added from 6:30 pm to 9:00 pm each weeknight

#3 Blue Route – One additional bus would be added from 7:30 pm to 9:00 pm each weeknight

#23 Orange Route – At the end of an Orange Route driver shift, the drivers would provide one additional trip on this route beginning at 5:47 pm and at 6:06 pm

Estimated Annual Cost: \$77,753

#1A Red Route - \$30,283

#3 Blue Route - \$40,096

#23 Orange Route - \$7,374

Research Park Extension: Priority 2

Currently the #6 Brown Route extends into the Research Park operating on North Loop Drive and then also extends to the Wessex Apartment complex. With the new Research Park building opening in late Spring 2016, CyRide will not be able to serve this new destination with the current route structure. Therefore, in order to service this new complex, CyRide could eliminate the North Loop Drive and extend the service to Wessex further south to the new complex, using this location as the end point for buses on the #6 Brown Route (see map). Currently this route has a 7-minute recovery time before buses begin their next trip into campus and has adequate time to include this extension in the route, if the North Loop portion of the current route is eliminated.

Estimated Annual Cost: \$0

Mortenson Road Express Route: Priority 3

Students have asked for a more direct, express-service connection between West Ames and campus. Therefore, CyRide staff could, under this proposal, create a new route that would operate along Mortensen and State Street into campus; thereby splitting the #1 Red route ridership into two routes reducing the need for up to seven buses on one trip on the Red route and provide a more direct route to campus (see attached map). This service would operate from approximately 7:00 am to 6:30 pm each weekday at a 30 minute service level.

This new route is conceptual at this time and if the board chooses to fund this option, public input would be needed to refine the actual service that would be implemented. This could be accomplished in February 2016, prior to preparing the fall schedule and assigning driver shifts, which is completed each spring.

Estimated Annual Cost: \$175,000

Late Night Service Extension – New Route (Portions of Two Existing Routes): Priority #3

CyRide receives comments from customers that they would like to have service later into the weekday evenings to be able to study at the Library, attend late night meetings/group meetings, etc. With most routes ending by 10:00 pm this can be challenging. Additionally, Iowa State's Help Van experiences an increase in the number of rides it provides to students after CyRide services end at 10:00 pm, with a significant number of these rides provided to residents of Fredrickson Court and to the Wallace/Wilson residence halls. Therefore, CyRide could provide service between these two major residence halls along a modified route that connects the two residence hall areas with Central Campus/Library (see map attached) after 10:00 pm until other CyRide routes end for the evening as follows:

- Monday through Friday - 10:25 pm and 12:51 am
- Saturday – 8:25 pm to 12:51 am
- Sunday – 8:25 – 11:51 pm

Estimated Annual Cost: \$5,874 - \$34,289

Monday – Friday - \$20,833

Saturday - \$7,582

Sunday - \$5,874

Over the past year, CyRide has also received numerous other requests from residents/students. These additional requests include: evening/midday service to DMACC, higher levels of service on most routes to reduce the number of people per bus and evening service along the #6 Brown route to the Research Park/Wessex Apartments. However, with the possibility of CyRide hiring a consultant and conducting a System Redesign project, CyRide staff believes that these services can be better addressed in this more extensive examination of CyRide's route structure.

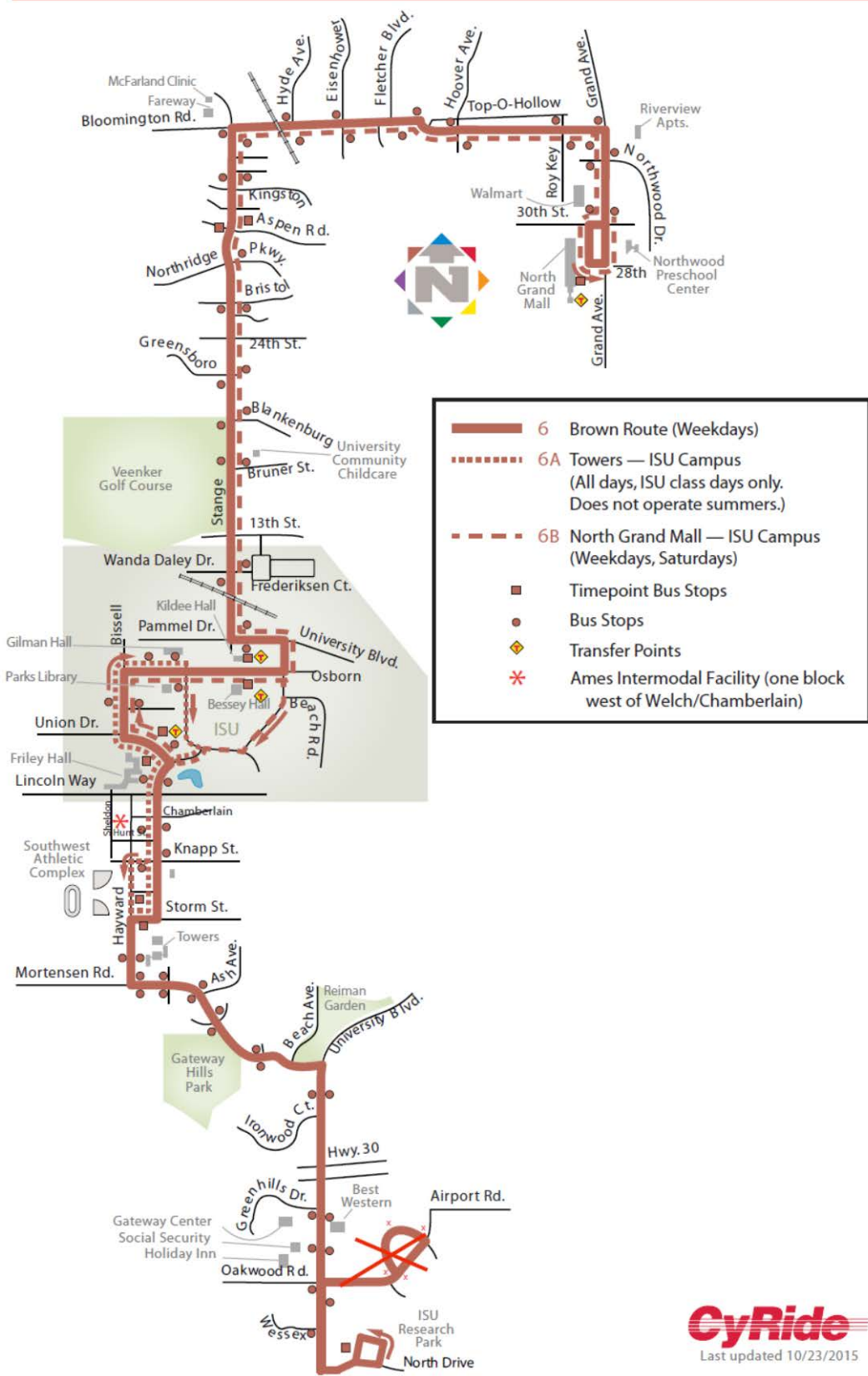
CyRide's staff is looking for input on the following options to prepare the operating budget for the board's December meeting:

1. **Definition of Baseline Budget Option (Budget Option 1 & 2) - \$174,993** - This option would include all baseline services currently operated by CyRide as well as all three priority #1 proposed projects - additional hours of service 2015-2016, additional prep time for drivers, and additional night service. Each of these three proposed services will meet capacity issues on current services and allow CyRide to provide a reliable, more comfortable service. By including the additional service hours in this baseline, the need to revisit service levels in the summer and secure additional funding will potentially be eliminated if projections are close to actual student increases.
 - Baseline
 - Additional Hours of Service (\$82,240)
 - Additional Prep Time for Drivers (\$15,000)
 - Additional Night Service (\$77,753)
 - Research Park Extension (\$0)

2. **Additional Budget Options** – Additional options that the board would like staff to develop for consideration by the Transit Board could be

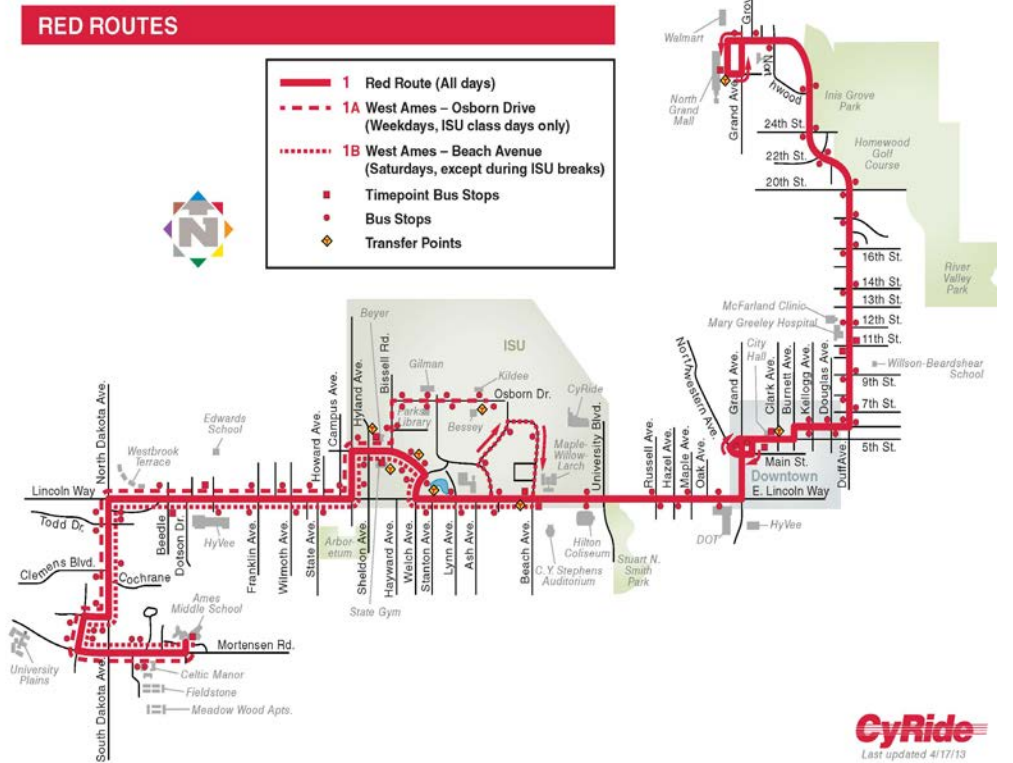
- **Operating Budget Option 2 (Priority #1, #2 and Mortenson Rd. Exp.) - \$349,993**
 - Baseline
 - Additional Hours of Service (\$82,240)
 - Additional Prep Time for Drivers (\$15,000)
 - Additional Night Service (\$77,753)
 - Research Park Extension (\$0)
 - Mortenson Road Express Route (\$175,000)
- **Operating Budget Option 3 (All Priorities) - \$384,282**
 - Baseline
 - Additional Hours of Service (\$82,240)
 - Additional Prep Time for Drivers (\$15,000)
 - Additional Night Service (\$77,753)
 - Research Park Extension (\$0)
 - Mortenson Road Express Route (\$175,000)
 - Late Night Service Extension (\$34,289)

BROWN ROUTES

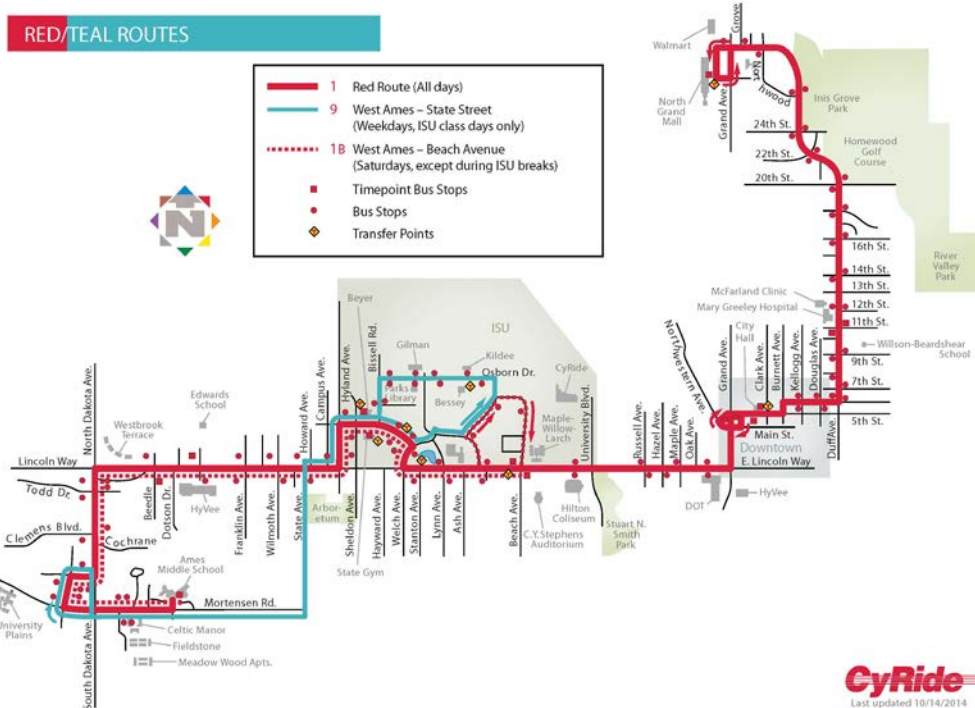


CyRide
Last updated 10/23/2015

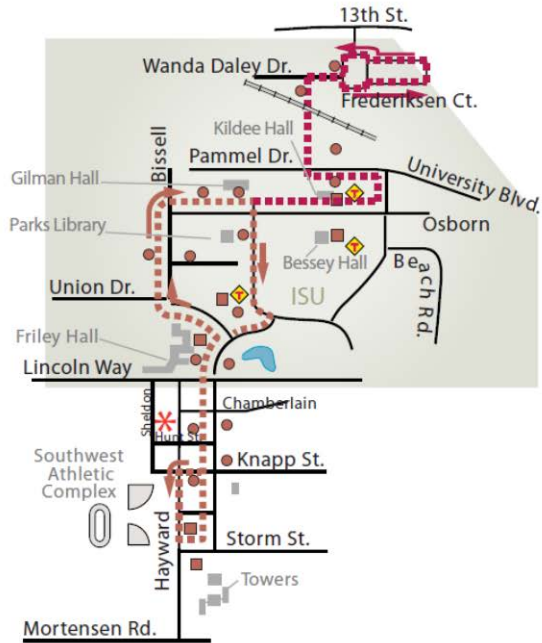
Existing Red Route Service







Proposed Mortenson Road Express Service




BROWN/CARDINAL ROUTES



6A/21 Brown/Cardinal Routes (Weeknights)
 Serves: Towers, Frederiksen Ct, ISU Campus
 (ISU Class days Only)
 Does not operate summers.)

-  Timepoint Bus Stops
-  Bus Stops
-  Transfer Points
-  Ames Intermodal Facility (one block west of Welch/Chamberlain)



Last updated 10/23/2015



CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: October 29, 2015

SUBJECT: 2016-2017 Budget Assumptions

BACKGROUND: Each fall CyRide staff prepares a baseline budget plus one or more additional budget options for board member consideration for the following fiscal year. The budget options are then presented to the Board at the December meeting with approval at that meeting or no later than the January Transit Board meeting. As a result of discussions at previous board meetings, the joint Transit Board -City Council meeting and individual discussions with board members, there have been suggestions on changes to the baseline and/or the other budget options. Therefore, direction from the Transit Board will be needed to solidify what is included in the baseline budget as well as any options board members desire be included for consideration.

INFORMATION: There are five issues that have been raised in discussions over the past month that could be included in budget options as follows:

Hiring/Training

Through the Transit Board discussions over the past several months, several ideas were generated to either make CyRide's driving position more attractive or that would allow CyRide to more quickly move drivers through the training process. Some ideas were discussed in conjunction with upcoming labor negotiations, while others could be addressed through CyRide's budget process. The budget-related items are as follows:

- **Increase the Driver Referral Bonus** - Currently CyRide provides a \$50 bonus to current employees who refer new drivers to CyRide. New drivers complete 400 hours of work before the bonus is paid to current employees. Discussions at the Transit Board meetings were to increase this to \$500 per referral. **Estimated Cost: \$5,000**

- **Add a Hiring Bonus for CyRide's Driving Position** - In reviewing hiring bonuses for other transit system and private-sector transportation providers, this bonus ranges from as low as \$100 per new employee to \$5,000. CyRide would propose a \$250 hiring bonus for each new employee. A set of guidelines would be developed and provided to the Transit Board and City of Ames' Human Resources Department before implementation. **Estimate Cost: \$12,500**
- **Eliminate the Training Wage** - Currently all drivers hourly wage is \$8 per hour through their training period, which extend for 1 1/2 to 2 months before they are released to drive independently and begin being paid at the bottom of the part-time wage range of \$11.96 (< 20 hours per week) or \$14.05 (> 20 hours per week), depending on their number of scheduled work hours. CyRide could eliminate this training pay and begin all trainees at the bottom of their wage range. **Estimate Cost: \$24,000**
- **Increase the Number of CyRide Trainers** - Currently CyRide has 2.25 trainers who work with driver trainees - 2 full time and one summer only trainer. With the new CDL requirements placed on CyRide this past summer, staff is finding it difficult to provide enough driving experience prior to taking the CDL test to allow individuals to pass the test the first time, which then requires a three week waiting period until another reservation can be made with the DOT due to their limited number of CDL testing slots. This is significant change from prior to the CDL change and requires trainers to spend more time in "getting drivers ready" for the test as opposed to the driver-instructors who this would have fallen upon after receiving their CDL. Additionally, if a third trainer was hired as a full-time employee, more emphasis could be placed on year-long hiring as opposed to an emphasis during the summer months. CyRide has employed two full-time trainers since 1991, however, prior to that time CyRide had employed three trainers. Additionally, the number of drivers has grown from 100 to approximately 145 since 1991. This would increase the number of FTE's by .75. **Estimated Cost: \$42,354.**

CyRide staff will also be working with ISU to explore the possibility of allowing students employed by CyRide to sign-up for classes in advance of the main student body.

Staff Recommendation: Include as many of the hiring/training options as financially feasible in the **baseline option and include the remainder in other options.**

Question: *Should any/all of the proposed hiring/training changes be incorporated into the budget, and if so, in the baseline or other budget options?*

Operating Closing Balance

One of the methods staff uses during the budget process is to reduce the percentage increase in local funding increase required by reducing the operating closing balance, if the closing balance is higher than 10%. Balances have been reduced to as low as 9% to mitigate increases in local dollars. CyRide's current and anticipated balance is significantly higher than this 10% balance as indicated below.

- **2014-2015 Ending Balance** - \$1,241,800 (13.2%)
- **Anticipated 2015-2016 Ending Balance** - \$1,442,759 (14.6%) - savings due to lower fuel prices

Over the years, the Transit Board and staff have had discussions regarding the appropriate percentage for the operating closing balance. Previous board discussions have resulted in a consensus of 15%; however, as CyRide's operating budget has grown from \$6 million to over \$10 million, the total dollars in this balance have risen significantly – raising a question as to whether it is beneficial to hold this large amount of funds in reserve as opposed to using a portion of it for services.

Previous analyses of how other transit systems address this issue found no consensus as some systems chose to set a specific dollar amount, while others chose to base this fund on a percentage of their operating costs, ranging from 5% to 25%. The common determining factor was the comfort level the policy-making body had in being able to address unanticipated expenses. Some felt it was more important to maximize services, while others were less risk-adverse.

Staff Recommendation: Continue to balance the operating closing balance with the percentage increase to allow more service to be operated in the community by reducing the closing balance to 10-12%.

Question: Should staff continue the practice of balancing percentage increases with the operating closing balance if the balance exceeds 10% or should a set closing balance be maintained regardless of the local cost increase? If a set balance is desired, what should that balance should be? (Staff will work with the City's Finance Department to determine how city departments address this issue and will share this information with board members at the meeting.)

Fare Structure

During the joint Transit Board-City Council meeting held on October 20, 2015, a question was raised as to whether CyRide's fare structure should be modified. Two ideas were shared: eliminate the student fare free payment method (student fare free), or reduce the non-student fare structure to match the average student fare per ride (fare parity). Information regarding both suggestions is provided.

Student Fare Free - While students do not pay at the farebox, currently \$66.35 per full-time student per semester is assessed on their student fees to pay for service. This fee will increase to \$73.10 in the 2016-2017 budget year. This fee was voted upon in a student referendum in 2001. While there is some desire to modify this, it would require substantial discussion with the student body and a vote by the students to rescind this fare structure. As a result, this discussion and a vote of the student body could not be accomplished prior to the required budget approval date contained in the City of Ames Code - Section 26A that states that the Transit Board of Trustees must approve a budget by January 21st of each year.

Staff recommends developing a presentation for discussion at a Transit Board meeting during the spring 2016 to provide the board with the history of the student fare free structure and potential impacts of eliminating this fare payment method for students.

Fare Parity - For the joint Transit Board-Council meeting, the **average fare** paid by students was calculated to be \$.76 per ride and this was compared to the **actual full-fare** paid by non-students of \$1.25. As a result, there was discussion at this meeting that to fairly treat all riders, the non-student fare could be reduced to \$.75 per ride. A better comparison would be to calculate the **average non-student** fare as some riders pay the \$1.25 fare, however, others pay reduced fares of \$.60 per ride (elderly, disabled and K-12 students) or lower per ride passes. Therefore, the average non-student fare currently paid is \$.68 (see calculation below), surpassing the goal desired from the meeting.

Total Ridership (FY15)	6,711,665
Less Student Ridership (93%)	<u>6,255,767</u>
Total Non-Student Rides	455,898
Total FY2015 Revenue (est.)	\$308,389
Total Non-Student Revenue Per Ride	\$.068

In the past, CyRide has implemented lower fare structures (\$.75 and \$1.00) as is attached on the following page as compared to its existing structure at \$1.25. CyRide could modify its fare structure in the 2016-2017 budget to reduce the average fare below the students revenue per ride if there is a desire to encourage more non-students to use transit. Currently CyRide has budgeted \$308,389 in fare revenue based on the \$1.25 fare structure. The estimated impact of either reduced fare structure option is as follows:

- **Impact of \$.75 Fare Structure** – best estimate of loss revenues of -\$50,000 per year (return to the \$272,000 range from current \$322,000, a 15% decline)
- **Impact of \$1.00 Fare Structure** – best estimate of loss revenues of -\$25,000 per year (return to the \$297,000 range from current \$322,000, and 8 % decline)

Staff Recommendation: Encouraging more non-student ridership would serve the community well by making transit service more affordable to the general public. As non-student ridership and revenue has decreased since 2012 when the fare was raised to the \$1.25 fare, a return to the \$1.00 fare would stimulate more community utilization of their transit asset, with minimal impact on the overall capacity of the system.

Question - Should CyRide modify its fare structure for the 2016-2017 budget, and if so, which fare structure?

Local Funding Shares

The local funding share, as of the 2015-2016 budget, is as follows:

Local Funding Partner	Percentage Split
Students	66%
City of Ames	24%
ISU	10%

In the past, the overall percentage increase in local dollars needed for the next year's budget would be shared based on these percentages; however, over the last four-year period, students have paid 100% for certain services (i.e. Gray Route improvements)/capital equipment (i.e. NextBus). Direction on what percentages each party will pay for the desired changes in the baseline and optional budgets will need to be determined.

Staff Recommendation: This is a local funding partner decision. Staff defers to the policymakers to determine the appropriate levels for the three parties.

Question: Should CyRide develop budget options based on the traditional 66%-24%-10% local funding split or a different funding share? If a different funding share is desired, who will be paying for the different services contained in the budget options?

Other Assumptions

There are several additional assumptions in the 2016-2017 budget that impacts the total cost and local funding shares that require policy direction. These are briefly described below.

System Redesign - The Transit Board of Trustees indicated an interest in entering into a contract with a consultant to assist staff in redesigning CyRide's route/service structure. A preliminary estimate of the cost to complete this study is \$150,000 based on a consultant's recommendation. This expense could be born 100% by CyRide or CyRide staff could request that the Ames Area MPO contribute \$100,000 of its almost \$150,000 carryover in federal funds to assist in paying for this study. In the past, the Ames Area MPO has financially assisted CyRide in paying for the Transit Feasibility Study in 2006-2007 to determine improvements in five transit corridors in Ames. Therefore, there is a precedent for this request and a legitimate expenditure of the MPO's carryover funds as these funds may be used for either roadway or

transit projects. **If this request were made and approved, CyRide's cost to complete this study would decrease from \$150,000 to \$50,000.**

Staff Recommendation: Initiate discussions with the Ames Area MPO on the possibility of utilizing \$100,000 of their carryover federal funding to support this important transit planning effort.

Question: Does the Transit Board desire staff to initiate conversations with the Ames Area MPO regarding the possibility of committing \$100,000 in financial assistance to complete a System Redesign project.

Facility Space Rental - Based on discussions over the late spring/early summer, the Transit Board and staff discussed the need for off-site bus parking beginning with the 2016-2017 budget. As staff has not completed an analysis of available land/lots/buildings, **staff believes that it is beneficial to include an expense in the next budget for rental space of \$50,000.** This may be high if ISU land is available for this purpose or low if a building is able to be secured; however, without an option identified at this time, a specific cost cannot be identified. Including an expense in the budget, however, will lessen the impact of a significant budget variation.

Staff Recommendation: Include \$50,000 of expense for facility space rental in the 2016-2017 budget.

Question: Is the Transit Board comfortable including a \$50,000 expense in the 2016-2017 budget for bus storage space rental of \$50,000?

CyRide Fare Structure Comparison

Date Implemented	1994	2004	2012 (Current)
Fare Structure	\$.75	\$1.00	\$1.25
Cash - Full Fare	\$.75	\$1.00	\$1.25
Cash - Half Fare	\$.35	\$.50	\$.60
Tickets - Full Fare	\$10.00	\$10.00	\$12.00
Tickets - Half Fare	\$5.00	\$5.00	\$6.00
Monthly Pass - Full Fare	\$25.00	\$35.00	\$40.00
Monthly Pass - Half Fare	----	----	\$20.00
Summer Semester Pass - Full Fare	\$58.00	\$80.00	\$100.00
Summer Semester Pass - Half Fare	\$29.00	\$40.00	\$50.00
Fall/Spring Semester Pass - Full Fare	\$99.00	\$130.00	\$160.00
Fall/Spring Semester Pass - Half Fare	\$49.00	\$65.00	\$80.00
Winter Pass - Full Fare	\$79.00	\$120.00	\$150.00
Winter Pass - Half Fare	\$49.00	\$60.00	\$75.00
School Year - Full Fare	\$199.00	\$260.00	\$320.00
School Year - Half Fare	\$99.00	\$130.00	\$160.00
Children Under 6	Free	Free	Free
Personal Care Attendant	Free	Free	Free
ADA - Dial-A-Ride Cash Fare	\$1.50	\$2.00	\$2.00
Revenue Generated	\$177,989 - \$198,904*	\$211,690 - \$322,600	\$322,985 - \$348,200

* After student fare free was implemented in 2001

Transit Director's Report

October 2015

1. Meeting Student Government on Legislative Issues

CyRide's Director met with the student government's Vice President of the Senate to discuss CyRide's concerns regarding state and federal funding. This was a very positive meeting, and as a result, two student government Senate authorizing resolutions will be drafted for the Senate's consideration. These resolutions support CyRide efforts for changes to Federal and State legislation that would allow for additional operating and/or capital funding supporting CyRide's continued growth. These resolutions will mirror language that CyRide has provided the City of Ames and Ames Chamber of Commerce for discussions/meetings they have previously initiated with state and federal legislators.

2. Additional Materials Generated To Support Joint Council-Board Meeting

As a result of discussions with Transit Board members and City Council representatives prior to the joint meeting between these two groups, two pieces of information were generated; however, were not needed for this discussion. This information was:

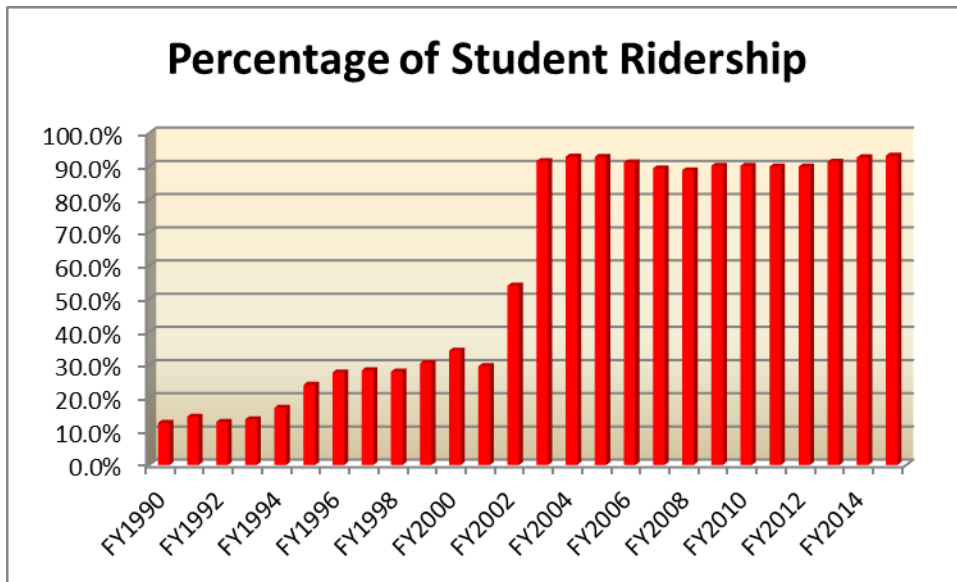
- **Graph** – Illustrating the historical percentage of student ridership
- **Local Funding Detail** – A listing of most large urban cities in Iowa and the property tax rate for transit, as well as the total dollars this generates. A listing of student fee dollars generated for transit at Iowa's three universities was also generated.

This information is attached for board member review and use in future discussions.

3. Orange Route Study - Preferred Alternative Selection

CyRide staff proposes scheduling a meeting in mid-November to further discuss the remaining two Orange Route Study alternatives – all articulated buses and Bus Rapid Transit (BRT). Several pieces of additional information requested by the Transit Board at the July meeting, where a presentation on the remaining alternatives was presented, will be completed and available for board review at this special meeting. This additional information is:

- Side-By-Side comparison of the two alternatives
- Refinement of the cost savings for each alternative
- Return on Investment for each alternative
- Timeline for project development under the BRT alternative
- Project development costs and funding sources for BRT alternative



Large Transit System Comparison (Property Tax and Student Fees)

Transit System/ Transit Levy Rate*	FY2015 Property Tax \$	FY2015 Student Fee \$
Des Moines - Varies up to 94¢	\$15,233,264	
Cedar Rapids - 81¢	\$4,740,466	
Iowa City - 95¢	\$2,945,164	
Waterloo/Cedar Falls - 63.75¢/24¢	\$1,681,652	\$169,488
Ames - 65.72¢	\$1,567,694	\$4,169,944
Cambus	-----	\$1,459,637
Dubuque - 48.29¢	\$1,080,000	
Sioux City - 40.04¢	\$813,174	
Council Bluffs - 31.86¢	\$698,519	
Coralville - 71.15¢	\$602,304	

* Maximum transit property tax levy rate allowed through state law is 95¢ per \$1,000 valuation

December

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
		1	2	3 <small>Transit Board Meeting 8:00am</small>	4	5
6	7	8	9	10	11	12
13	14 <small>Finals Week</small>	15	16	17	18	19 <small>ISU Com- mencement</small>
20	21	22	23	24 <small>City and University Holiday</small>	25 <small>City and University Holiday</small>	26
27	28	29	30	31	2015	