

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

October 29, 2015

The Ames Transit Agency Board of Trustees met on October 29, 2015 in the CyRide Conference room. President Haila called the meeting to order at 4:05 p.m. with Trustees Abbas, Madden, Haila and Schainker present. Absent: Trustees Teubert and Gartin.

**APPROVAL OF MINUTES:** Trustee Madden made a motion to approve the September 24, 2015 minutes. Motion seconded by Trustee Schainker. (Ayes: Four. Nays: None.) Motion carried.

**PUBLIC COMMENTS:** None.

**PUBLIC PRESENT:** President Haila acknowledged past Ames Transit Agency Board of Trustee Student Government Representatives and Presidents Daniel Rediske and Zachary Murrell who were in attendance.

**2016-2017 POTENTIAL SERVICE CHANGES:** Director Kyras explained that each year staff develops budget alternatives for possible service/staffing changes and asks the transit board to provide direction on the options they wish to have developed into budget alternatives for the December Transit Board meeting, when the budget is first presented to board members. She then provided board members with background information regarding ridership, number of vehicles required for service, estimated ISU enrollment and possible service changes the next fiscal year.

President Haila asked for an explanation of peak hour buses and Director Kyras said it is the time of day when the maximum number of vehicles are operating, where CyRide matches ridership with the number of buses required to not leave passengers at the bus stop. This year, the maximum number is 73 buses out at any time plus two CIT (Central Iowa Transit) buses, to carry the estimated ridership of 6.9 million rides for this year.

Trustee Gartin arrived at 4:10 p.m.

She then detailed ISU's new enrollment projects for the next ten year period, indicating the 2016-2017 budget year was expecting 540 more students. Director Kyras explained that ridership for the current was 2.4% higher; however, she indicated that this might be higher when cold weather begins. She also indicated that evening ridership was higher, and often times overcrowded, requiring the articulated and extra buses to be placed on routes. Trustee Haila asked what constituted an overcrowded bus. Director Kyras explained that an overcrowded bus occurs when there are more than 60 - 65 passengers, seated and standing.

Director Kyras explained the three service improvement priorities that the Transit Board member determined at their meeting in November 2014 - #1 - adding capacity, #2 - improving exist service and #3 - add new service. She indicated these priorities would help guide board members as they considered the potential service changes presented by staff.

She indicated the first service improvement for consideration was to add five additional hours of service to address the 540 additional students to be served in the next fiscal year. These hours would be added when overcrowding occurred on a trip. She recommended adding this to the baseline service as it would be required to meet the minimum level of service for next year. She estimated the increased cost to be \$82,240.

She explained that the second improvement for consideration was to add two minutes to each bus pulling out of the facility in the morning. She indicated that buses are currently so tightly packed within the facility that buses are leaving the facility late due to congestion issues. She stated that a laneworker arrives at CyRide at 5:00 a.m. to help move buses around, but with buses parked inside and outside, this job has become more than this employee can handle. She indicated the estimated cost for this change would be \$15,000.

She explained that the third potential improvement was meant to address the overcrowding of buses in the evening. One bus would be added to the #1A Red route from 6:30 p.m. to 9:00 p.m. each weeknight, a second one on the #3 Blue route each weeknight from 7:30 p.m. to 9:00 p.m. and drivers operating the #23 Orange route would extend their service one additional trip at the 4:47 p.m. and 6:07 p.m trip times. The estimated cost, collectively, is \$77,753.

Trustee Gartin inquired as to why these routes in the evening are overcrowded and the need for additional buses. Director Kyras stated that Iowa State is holding more evening classes and more students are traveling to/from campus in the evening, which creates more activity on the buses until approximately 10:00 p.m.

Trustee Gartin asked if there were routes that were not highly utilized and if CyRide could reduce service on these routes to compensate for possible additional services. Director Kyras responded that staff matches the size of bus to the ridership throughout the day. On routes will fewer riders, a small minibus is placed on this service. Trustee Gartin encouraged staff to monitor ridership closely and just not add a bus. Director Kyras said that ridership is monitored on a daily basis by the Dispatchers and CyRide's Schedule/Budget Analyst and that buses lowered and decreased daily to match demand. She further explained that CyRide has more "extra" buses that help scheduled tripstha it has scheduled trips. These "extra" buses can be added/dropped at anytime to help reduce overall expenses. She also indicated that the Transit Board reviewed all routes compared to a ridership/hour standard last year and that there were only three routes

they fell below the standard. She stated that these routes were provided more for the community as opposed to students. She indicated at that time that board members declined to reduce service.

President Haila asked if instead of three buses an hour, if CyRide could operate two buses an hour to reduce CyRide's costs. He further stated that instead of waiting 20 minutes, passengers would have to wait 30 or 40 minutes for a bus. He indicated that this would not be as convenient for our customers. Director Kyras said the system works on a timed transfer basis and to reduce service on some routes would not allow transfers to occur between buses.

Barb Neal, CyRide's Operations Supervisor, addressed questions about service peaking and explained that CyRide reduces service as needed every day. She indicated this is unique for CyRide as other systems have every trip shown on their schedule and cannot do adjust service daily. Further, she indicated that CyRide has as many extra buses as it has scheduled bus trips shown on the website/schedule, but the ones on the schedule, CyRide has to run. CyRide drivers pull out 36 scheduled buses in the morning and manage 41 extra buses that CyRide adds/decreases as needed. If the extras are dropped, the driver is told that the next week the extra will not be needed, but the driver will still be scheduled into other work.

Trustee Schainker shared his belief that CyRide was setting a high service standard. Director Kyras shared that this service level was typical of a university system due to its higher student volume, but agreed that it would be higher than a typical non-university, urban system.

Trustee Madden asked if CyRide had considered a lower service frequency outside of its peak hours. Director Kyras stated that, depending on the route, service is currently reduced to 40 minute frequencies after 6:30 p.m. during the weekday evenings and on the weekends. Further, she indicated that to lower the service frequency would provide service only every hour.

Trustee Gartin stated that when budgets are tight and when CyRide adds service, it should be identifying service it can reduce. Further, he stated that CyRide should "live within in means" and budget restraints. Director Kyras indicated that typically, when ridership is increasing year after year, transit systems are not reducing service as riders are needing more service as the buses fill up. She further stated that usually there are two times when transit systems consider reducing service levels - when budgets are tight or when ridership is declining.

Trustee Madden shared his thoughts that, since CyRide is continuing to provide more rides each year, conceptually providing bus service is a good situation for the community. Further, he stated that he did not believe that CyRide's costs are out of control, but that CyRide is providing more service to meet its higher demand. He

indicated that, collectively, CyRide will need to look at its total cost and decide which local entity is going to pay for service increases and, that he believes that the transit board will have to work through the process to come to a decision on this issue. He further stated that he believes that some individuals think that fare free is a bad way for students to pay for service, but he indicated that he did not believe this was the case. He indicated that changing the service peaking that occurs throughout the day will not save CyRide money, because the buses are full. He indicated that if the goal is to provide service to fewer riders, which is different policy that CyRide currently operates under, that the fare structure can impact this, but that he believes that CyRide needs to better understand the impact to students and the community.

Trustee Schainker shared that the issue is not students versus the community, that he believes it is the unlimited pass that is creating the situation. Further, he indicated that he believes that this structure is not sustainable unless costs are increased for this group of riders. He indicated that as the revenue per ride decreases, (full fare is \$1.25), that the cost to provide the ride is higher at \$1.75. He acknowledged that transit systems do not breakeven or make money, but was concerned with the difference.

Barbara Neal, CyRide's Operations Supervisor, shared that the student fare free structure was approved in a student referendum and that the student body would have to vote to discontinue this structure; therefore, as a result, the Council or transit board could not make this decision.

Trustee Madden stated that the University is currently funding 75% of CyRide's expenses and, if CyRide's board believes that it can no longer afford to continue this system, that the system would no longer function as it does today. Further, he indicated that, from the university's perspective, they did not want to go back to the previous system. He indicated that he believes more education would provide a better overall understanding of the system's benefits.

Trustee Schainker stated that students are buying unlimited rides and not being charged enough for the average ride because they are not being charged a \$1.25. CyRide costs keep increasing and the revenue per ride is going down, requiring a larger subsidy and then adding the need for more service, makes this challenging.

Public comment: Daniel Rediske mentioned that he rode public transit when he lived in Washington, D.C. and that this was his sole form of transportation. He appreciated CyRide after experiencing the Washington DC system. He had not realize the high quality of service he received on CyRide and how wonderful the service is. He shared that he had to wait at a bus stop for 45 to 60 minutes to access the Washington DC service. Further, he shared that he appreciated CyRide at the time, but even more since living in Washington, DC. He encouraged the board and staff to keep up the good work.

Director Kyras reminded the transit board that CyRide's current fare structure includes other unlimited, non-student rides with monthly, semester, annual and summer passes offering unlimited rides as well as the students fare free system.

Trustee Madden said the transit board needs to determine what the costs are each year and it then needs to financially manage these expenses. He indicated that whatever the pricing and subsidy, that students will need to pay a fixed amount, which may or may not need to be subsidized.

Trustee Madden said students are paying a fixed amount per student, but maybe the subsidy is not reflective of what is an appropriate share. He shared that he believes that CyRide should determine what it would take to have fewer riders or to continue to encourage public transit within the community. He then questioned whether it was cheaper to drive cars and shared his concern that this significantly impacted the university, particularly as it relates to their parking availability.

Trustee Schainker said the average cost per ride for students is \$.76 per ride and that he believes that CyRide's non-student cost is higher. He shared his concern that everyone is paying for this service, but that not everyone rides. He questioned whether it was CyRide's goal to limit rides or whether it was to figure out an appropriate financial structure to meet its demand.

President Haila said he feels everyone wants to make sure CyRide stays feasibly sound and committed to providing a high level of service as it has to-date, but that he is apprehensive with the lower federal subsidy for capital. He indicated that it was difficult to look at increasing service when other costs would also increase. He stated that he knows CyRide is committed to providing a level of service to the students and questioned if there was another way to accomplish this.

Director Kyras shared that CyRide staff monitors ridership on a daily basis - rides per hour, trip, etc. She indicated that the rides per hour continue to increase, indicating more people per bus and higher efficiencies.

Trustee Madden said one of the projects the transit board has committed to is to complete a route study. Mr. Madden shared that he was on the University of Oklahoma campus recently, and that they had made a decision to not have buses pass through the core of campus. They have a north-south structure where buses arrive on the south and north side and have a big turnaround where passengers get off and walk to their destination. He indicated that this is a different kind of route structure than CyRide is operating today and indicated that this study can examine other structures like this to determine if changes could positively impact students and the community, as well as CyRide's financial structure.

Director Kyras shared the challenges a community transit system has with this type of structure. She indicated that CyRide has routes that travel from one end of the community to the other, passing through campus. She indicated that a structure that turned around midway through the current route would leave riders stranded or walking from the north to the south side of campus. With this said, Director Kyras indicated that the development of a scope of work for a route study should be completed by the first of the year.

President Haila asked what the \$1.2 million closing balance meant for CyRide - whether it similar to a savings account that the transit system adds to or takes from year to year or whether CyRide has made \$1.2 million dollar this year. President Haila then asked what CyRide's surplus was from the previous year. Director Kyras shared that the closing balance increased from \$900,000 to \$1.2 million at the end of the last fiscal year, stating that lower fuel prices allowed this balance to increase. It was explained that the closing balance was a reserve to be used for unexpected expenses.

Trustee Gartin shared that he was interested in how governmental entities think about reserve balances and that he was not sure what the reserve fund should be for CyRide. Further, he indicated that he believes that the balance level should be intentionally set, based upon criteria, such as three months of operating costs in reserve, and that an agreed upon policy for this balance should be set.

Trustee Madden said in the past, the transit board has been comfortable with a 15% balance. Trustee Schainker shared that the transit board has wrestled with that figure for operating over the years as the budget has increased.

Director Kyras explained the purposes for the operating, capital and student government trust fund balances and the responsibilities of the transit board versus ISU's Special Student Fee Committee's role regarding the student government trust fund.

Trustee Schainker raised his concern regarding where student fee dollars are placed in CyRide's budget. He indicated that the student fee will be raised from \$66.75 to \$73.00 next year. He said that with increasing enrollment, approximately \$250,000 more should be generated by these fees; however, a portion of these fees will not be included in the operating budget to address additional service needs created by the increased enrollment, but will instead be placed in the trust fund.

Trustee Madden said it is committed to the CyRide bus system and that the trust fund was created to smooth out student funding variations when student enrollment decreases. He indicated the trust fund's intent was not to carry a large balance. Further, he stated that with student approval, it can be spent on such things as the NextBus technology system. He indicated that it could be spent on capital or operating needs. Trustee Schainker reiterated his concern with the dollars going into the trust fund instead of the operating budget when enrollment increases.

An extensive conversation pursued on the development of next year's budget in light of increasing enrollment and the local partners share of these expenses.

Trustee Schainker indicated that next year's student fee would be \$73.00 per semester per fulltime student, but he believes this does not pay for the additional services proposed in this agenda item - that this cost is for the services CyRide is operating today. Director Kyras confirmed that when the fee was set, that the board had not decided on any additional services so the dollars reflected existing service. The student's share of the additional services would be paid for with the trust fund balance, if the higher student enrollment does not generate additional dollars to cover any approved increase.

President Haila asked the transit board if there was any additional information they desired staff to gather for the transit board meeting in December. Director Kyras then explained the remaining potential service improvements included in the board packet material.

Director Kyras explained the change to the #6 Brown route for the Research Park Extension, which included a no cost change to address the new Research Park building. Trustee Madden shared that, by the end of June 2016, the Research Park is projected to have more than 2,000 employees and more housing in that area, indicating a higher volume along that southern University Blvd corridor. President Haila was concerned with the elimination, under this proposal, of the North Loop on the current route and wondered whether it would no longer serve other new development in this area. Director Kyras indicated that a decision did not need to be made at this time since there were no budget implications and that once the road construction was completed and CyRide returned to its regularly-scheduled route, this could be revisited.

Director Kyras then explained the Mortenson Road Express Route potential service improvement. Trustee Schainker was concerned with the express route. He questioned that if everyone uses the Express route as opposed to the Red route, if CyRide would cut the Red route. Director Kyras explained that the express route would operate with a longer wait between buses so staff believes that it would not be as attractive to all individuals in this area of the city. Further, she indicated that most likely the number of "extra" buses on the Red route could be reduced from the current seven on some trips to fewer buses.

The next potential service change discussed as the late night service extension. Director Kyras explained that this service was developed as a result of increased ridership on ISU's Help Van and to get people home after 10:00 p.m. when CyRide's service ends on some routes. A new route could operate between 10:00 pm and 12:51 am between Fredrickson Court through campus to the Wallace/Wilson residence halls.

Director Kyras then shared staff's request for direction as to whether they would like to include any of the service improvements detailed at this meeting into a budget option for board member consideration at the December board meeting.

After a long conversation regarding the best format to reflect additional costs for the board to consider at the December meeting, it was decided that staff should prepare a baseline budget and then cost out a "cafeteria style" of options that could be added to the baseline budget, allowing board members to weigh all costs at one time. Board members then directed staff to use the traditional 66%-24%-10% local funding split to calculate the impact on each local funding partner. Director Kyras clarified whether the five additional hours of service should be included in the baseline, as CyRide would not be able to provide the same level of service next year with higher ISU enrollment without this additional service. She was directed to include it in the options, not the baseline.

Board members then discussed whether staff should lower the closing balance to a lower amount, such as 12% to help offset local funding partner increases the following year. Trustee Gartin shared that he was reluctant to use the ending balance to offset the next year's budget. Staff was directed to not decrease the closing balance to offset funding partner increases.

Trustee Gartin left at 5:20 p.m.

Board members then further discussed some of the service improvement proposals. Trustee Madden felt the late night extension would be a priority as students need transportation at this time of the night.

Trustee Abbas agreed with the late night extension and with the Mortensen Road Express Route, indicating that the express route would alleviate some of the increased ridership on this route.

**2016-2017 BUDGET ASSUMPTIONS:** Director Kyras explained that as part of budget discussions, other expenses should be considered and shared the following hiring/training suggestions for consideration.

- Increase the employee referral bonus currently \$50 to \$500, which would increase expenses \$5,000.
- Add a hiring bonus of \$250 for CyRide's driving position, which would increase expenses \$12,500.
- Eliminate CyRide's training wage of \$8 per hour, as CyRide is not attracting potential applicants with this wage, and start employees at the beginning wage rate - \$11.96 or \$14.05 per hour, depending on the number of hours worked, which would increase expenses \$24,000.



- Another bottleneck is in getting students trained for their CDL license and on CyRide's service. CyRide currently has 2.25 trainers and, under this proposal would increase the quarter-time position (summer time only) to a full time position to have more staff during the year to train new drivers, which would increase expenses \$42,354.

Director Kyras indicated that she would include these items on the "cafeteria style" options for board consideration and would share the format that staff developed for this information to board members prior to the meeting in case additional information was needed for the meeting.

President Haila shared that he did not realize that CyRide employees had to wait three weeks to take the CDL license test and then, if they did not pass, had to wait another three weeks to retake the test. He indicated this information helped him understand the issues CyRide was having in addressing its driver staffing challenges.

A discussion on CyRide's fare structure ensued. Director Kyras suggested addressing this issue after the budget was adopted by the board, in the spring of 2016. Further she clarified information presented at the joint Council/Board meeting. She indicated the average student fare was \$.76, but said that the average non-student fare was approximately the same. She indicated the \$1.25 fare was the full fare and that a significant number of CyRide's non-student riders were paying a half fare (K-12 students, elderly disabled). The result is that both types of customers are paying a comparable fare.

President Haila questioned whether the number of non-student rides would increase if the fare was decreased. Director Kyras indicated that this was a possibility, that she believes more K-12 students might ride. Trustee Schainker shared that he did not believe the fare should be lowered and was interested in fare parity, not lower fares.

Director Kyras then explained another budget impact regarding the system redesign study. She indicated that the estimated cost was \$150,000. She indicated that staff could include this entire amount in the baseline budget or CyRide staff could work with the Ames area MPO and request \$100,000 of their planning funds to assist with this community study. This would reduce the budget impact from \$150,000 down to \$50,000. The board members census was to make this request of the Ames Area MPO.

Director Kyras then asked direction from the transit board on including a facility rental cost of \$50,000 in the baseline budget, referencing previous board discussion regarding the need in the fall 2016 for off-site bus storage.

President Haila mentioned a potential site for this off-site location, indicating the Ames School District would be vacating its current leased site about the time CyRide would be needing a site. He indicated the annual rental was approximately \$70,000, could

accommodate 40 school buses on the site, with a 10,000 square foot building. He indicated the building was owned by Wayne Larson. The Ames School District has at least another year and half on the building lease and perhaps CyRide could take over the lease and suggested Director Kyras obtain additional information.

Trustee Madden mentioned the Van Wall site might also be a possibility for outside parking, but would require further conversation with ISU.

**TRANSIT DIRECTOR'S REPORT:** Director Kyras shared with board members that she had met with the Vice President of the Student government and the senate will be offering two resolutions supporting state funding and federal funding for CyRide.

Director Kyras also shared two pieces of information (historical percentage of student funding and city/university contributions for other transit systems around the State of Iowa) that was developed for the joint Council/Board meeting, but not presented at that time. She indicated that this information could be helpful in future board discussions regarding local partner funding.

A special meeting was then set for November 12 at 4:00 p.m. to discuss the Orange route study.

**SET MEETING TIME AND PLACE:**

- DECEMBER 3, 2015 – 8 A.M.

**ADJOURN:** Due to a lack of quorum, the board meeting was adjourned based on consensus of the remaining board members.