

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

January 13, 2016

The Ames Transit Agency Board of Trustees met on January 13, 2016 at 8:00 a.m. in CyRide's Conference room. President Haila called the meeting to order at 8:02 a.m. with Trustees Abbas, Gartin, Madden, Schainker, Haila and Teubert present. Bill Troe, Consultant with SRF, was present via telephone.

**APPROVAL OF DECEMBER 3, 2015 MINUTES:** President Haila asked for clarification in the minutes before he entertained a motion. He requested further clarification on the increase in federal funding that the Transit Board requested at the last meeting and requested additional information regarding the AMOCO loan. Director Kyras shared that the board had requested that federal dollars remain at the current level of \$1.97 million and that the AMOCO loan was an Iowa DOT, no-interest loan program that was used to help fund the Intermodal Facility. The loan was just completed this year, so was not included in next year's budget.

Trustee Schainker made a motion to approve the minutes from December 3, 2015 transit board meeting. Trustee Teubert seconded the motion. (Ayes: Six. Nays: None.) Motion carried unanimously.

**PUBLIC COMMENTS:** None.

**2016-2017 OPERATING BUDGET:** Director Kyras recapped the initial budget presented at the December 2015 transit board meeting. She explained that the previously drafted budget (Option #1) required a 2.8% increase in local funding, and that the Transit Board had tabled action on the budget, requesting another budget option (Option #2), which included staff's recommended changes and a change in federal funding amount. She then explained that Option 2, would require a 3.8% increase in operating expenses and a local funding increase of 5.1%. Director Kyras responded to Trustee Schainker's question on what the closing operating balance would be, stating it is anticipated to be 13.5%.

If the Option #2 changes were approved in the 2016-2017 budget, Director Kyras asked transit board members to consider immediately implementing the operational changes in order to increase the number of drivers for the Fall 2016 semester. She shared that the cost to the 2015-2016 budget would be approximately \$31,000, but with the ongoing fuel savings, the changes would not have a significant impact to CyRide's year-end closing balance and would be beneficial to meet next year's staffing needs.

Director Kyras stated that labor negotiations had not been finalized, and as a result the wage increase reflected in the budget may not be accurate and suggested that language be added to the approved budget to be able to increase the union wages in the budget

by the negotiated wage increase. She shared that if the increase was a quarter percent higher than budgeted, it would require a .2% increase in the local funding requirement. She indicated that the another option the board could consider was to leave the budget as proposed in Option #2 and then if the wage increase is higher, utilize funds from the closing balance to address the budget shortfall in next year's budget.

Trustee Madden asked how service levels and driver hours worked when CyRide has fewer hours available during the summer. Director Kyras said this variation is a significant challenge for CyRide. She indicated that new employees may not have hours available for all students over the summer. She indicated that drivers may opt for "0" hour status for the summer and then pick up extra hours as they are available. She also shared that many students go home for the summer, so this works well for CyRide and these drivers.

Trustee Madden asked if CyRide's student return rate was good in the fall. Barbara Neal, CyRide's Operation's Supervisor, responded indicating that CyRide was short approximately 25 drivers currently, and was doubtful that enough drivers could be hired over the spring/summer to be fully staffed by Fall as CyRide would need to hire/train 50 or 60 drivers by that time. She indicated that the return rate varies each year where some years most students return, but there have also been years when a larger number have not. She provided further detail on the likelihood of individuals, student and non-student, returning after the summer.

Trustee Madden shared that if CyRide is under staffed by that many drivers, he would support the immediate implementation of the changes.

President Haila asked if there had been further conversations with Iowa State on the class schedule preference for students driving for CyRide. Trustee Madden and Director Kyras confirmed they were working through the process.

Trustee Schainker asked for a clarification on the FTE equivalent if the change is approved. Director Kyras indicated that CyRide FTE's would increase by .75.

President Haila shared his thoughts that with the fuel prices continuing to be lower, a larger savings would be accumulated, which would negate the impact of the additional cost to implement the changes immediately.

Trustee Schainker shared his thoughts that CyRide needed to implement the change immediately to increase the number of drivers for CyRide, but asked what the new closing balance percentage would be. Director Kyras indicated that it would have a negligible impact and would lower the balance to possibly 13.45% instead of 13.5%. Trustee Madden shared his thoughts that there was a high probability that fuel cost would continue to be lower and would decrease the impact even more.

Trustee Schainker recommended increasing the union wage rate by .25% in the budget and asked staff to recalculate the impact on the budget and local funding shares. Director Kyras will calculate and disperse the exact numbers to the Transit Board after the meeting.

Trustee Madden moved Alternative #1 with a .25% union wage increase, plus implementing the requested changes effective immediately. Trustee Abbas seconded the motion.

Trustee Gartin asked what the driver shortage represents as a percentage of total drivers, and further, how CyRide was functioning with this lower staffing level. Director Kyras said there are 145 drivers so this represented about a 17% deficit. She then explained that the lack of drivers created higher overtime expenses as drivers picked up additional shifts. She indicated that overtime costs would most likely be around \$125,000 this year. Director Kyras further stated that overtime impacts driver retention, as it makes it very difficult for drivers to get time off, which leads to less satisfied employees.

Trustee Madden added that management was driving to cover open shifts as well. President Haila said he did not like to see management driving and that this budget would start to address this concern by starting employees at \$14 an hour, providing an additional trainer, increasing the referral bonus, and adding a signing bonus.

Trustee Gartin shared his concern with the driver shortage and that it would be helpful, as a board member, to have a greater understanding of the issue. He further indicated that he supported the operational changes to address hiring/training, but indicated that he does not believe CyRide can sustain this level of financial increase every year. He shared that other cities were facing budget cuts.

President Haila called for the vote. Motion carried unanimously. (Ayes: Six. Nays: None.)

**ORANGE ROUTE STUDY:** Director Kyras introduced Bill Troe, who joined the meeting via telephone, to answer questions the Transit Board might have in choosing a “preferred alternative” for the Orange Route. Director Kyras explained that at the October 2015 board meeting, board members asked for additional information in several different areas. She then explained the three Pro Formas, one for each alternative; student input received and further clarification on the federal New Start funding program for a Bus Rapid Transit service.

Director Kyras detailed the differences of the Pro Formas for each alternative and compared them to the baseline Pro Forma provided to board members at a previous board meeting. Each of the alternatives added additional expense in the short-term and

provided an operational savings in the long term. Director Kyras shared that each alternative was based on an increasing number of rides on the Orange Route from the current 14,000 per day to 18,000 over a ten-year period. Transit board members asked if ridership projections for the study were based upon a linear extrapolation. Director Kyras stated that the projections were based upon historical ridership data, which had trended toward an average of 3-4% per year. Bill Troe added that the projections were based on a 2.75% per year increase, as the larger ridership years were adjusted due to the belief that they were atypical.

Trustee Madden asked if CyRide knew what impact housing patterns, such as the Haverkamp apartment complex being constructed on S. 4<sup>th</sup> Street, would have on the Orange route – walk/drive to the Iowa State Center or ride from the S. 4<sup>th</sup> bus stop. Further, he shared that he expects a modest enrollment increase at Iowa State, but believes where people live impacts ridership as well. Director Kyras indicated that the convenience/frequency of bus service adjacent to the development dictates ridership patterns.

President Haila shared a concern about the outcome of the upcoming System Redesign, indicating that it might having a different outcome than the Orange Route Study recommendation. Mr. Troe shared his thoughts that the various Orange Route options, that could be incorporated into the larger System Redesign project, have been identified through the Orange Route, route-level study. He specifically referenced the “split route” option studied.

Director Kyras shared that the only possible Orange route option that could be negatively impacted by the System Redesign Study was the university-desired concept of providing a no bus zone in the campus core area. However, she indicated that even with this concept there would most likely be some type of service to disperse people around campus and the alternative chosen for the Orange Route could be modified once more is known about this option in the System Redesign project.

President Haila asked for more clarification about the capital costs between the three Orange Route options. Director Kyras identified the costs of each option and indicated that the capital expenditures were “upfront” costs, but that the annual operating costs were lower, with the Bus Rapid Transit (BRT) option having the lowest annual cost.

President Haila shared his thought that the All Articulated and BRT options required significantly fewer drivers (27 as opposed to 39 drivers a day), which was important in light of the current challenge of find driving staff.

Trustee Schainker voiced his concern for increasing ridership from the commuter lot. He indicated that the Orange Route has had an unintended consequence as its popularity has increased, pulling rides that could have been taken in the neighborhoods,

thereby impacting the entire system. He questioned whether it was premature to choose an Orange Route option before the results of the System Redesign Study. Further, he shared that the Transit Board has an obligation to serve other people in the other parts of the city that are employment at other locations beside campus. He further shared his concern that this could be like the Fare Free student decision with unintended consequences on CyRide's system.

Trustee Gartin asked Director Kyras what action the Transit Board needed to make at the meeting. Director Kyras stated that the study had been completed and that the Transit Board would need to choose which option was their "preferred alternative," so that staff could begin moving forward with the alternative. President Haila clarified for Trustee Gartin that the study has been going on for several years and that staff had brought this issue to the board last fall for consideration. Director Kyras shared that the Federal government would like to see the grant closed out and would need the board to choose an alternative for this to happen. Transit board members asked if it was possible to not choose an option at this time, and instead require this route to be considered in the larger System Redesign Study.

Mr. Troe provided further clarification on what choosing a "preferred alternative" meant, referring to the memo in the board's packet of information. He indicated that it is simply a notice to FTA that CyRide believes the chosen alternative is the best option and that CyRide will need a different federal funding source to complete the project. Further, that it does not mean that everything has been figured out, where every dollar will come from, and in summary does not "obligate" CyRide to anything financially, and that the Transit Board can change its mind prior to a federal full funding agreement. Further, it was shared that as CyRide progresses through that Project Development stage, it could decide it cannot afford the BRT alternative and the project could be terminated.

Transit board members were concerned about the "point of no return" in accepting funding for the project. Mr. Troe indicated the Transit Board would be looking at about two years, which is the maximum timeframe the federal government gives transit system to move forward with a project. Director Kyras said that in the two years, CyRide would be close to the end of the System Redesign Study and could determine if the BRT project, using New Start funding, was still the preferred direction for this route.

A question was raised about what the "Next Steps" for a BRT project would be and what the cost of these steps might be. Director Kyras indicated that the Orange Route Study would be under budget and that approximately \$35,000 would be remaining. She indicated that this could fund the New Start Funding Request Letter and the Environmental Assessment for the BRT project. She indicated that Project Development would be the next step and that the Transit Board would need to commit additional

funds for this work, but that it could be reimbursed 80% if the project was approved by the federal government for Project Development.

Trustee Madden asked what the probability was for receiving federal funds for the BRT option. Mr. Troe indicated that CyRide has a small dollar project within this funding source, which could be a positive aspect for the project. He then indicated that it was a nationally, very competitive program and that CyRide would not be able to answer that question until it had applied. Director Kyras added that a Federal Transit Administration official was scheduled to tour the project in March and that staff might have a better idea at that time of how the project could compare to other projects in this funding program.

A question was raised about if there were other funding sources to assist CyRide with a BRT project. Director Kyras indicated that there was a possibility, and that staff could explore funding sources, such as Iowa Clean Air Attainment Program or Public Transit Infrastructure grants.

Trustee Madden shared his thoughts that the BRT option makes the most financial sense and that it seems to be the preferred type of service based on student, staff and the Study Team's recommendations. He then posed the question to other board members about whether there was any objection to the BRT option.

Trustee Schainker asked if the Transit Board was required to choose an alternative. Director Kyras indicated that the funding originally received for the study required the governing body to choose an alternative. However, she indicated that the Transportation Bill that funded this study had expired and that the FTA had relaxed their requirements for the programs funding CyRide's study. She indicated that it would put CyRide's BRT project in a stronger position to request federal New Start funding if the board could officially commit to BRT was the appropriate option to pursue.

Board members then entered into a general discussion about the projects Next Steps, project timing, and timing for a commitment versus obligation.

Trustee Gartin shared that he was not comfortable in moving forward at that time as he needed more time to understand the options. Further, he shared that he would prefer a larger public input effort, representing a wide variety of students. Director Kyras said the students who attended the focus group meeting Monday afternoon were provided with a thorough explanation of all three options and then an opportunity to weigh in on the various options. The result was a unanimous vote for the BRT option. She questioned whether a larger group would provide a different outcome in light of support the project had garnered from the focus group.

Trustee Gartin provided a specific example of the kind of public input he thought would be beneficial before moving forward - 200 people in one room to gain their input.

Trustee Abbas reiterated students support for this project and further stated that he believes it will complement the System Redesign Study by providing direction on this route. He indicated that he was comfortable in moving forward in approving an option at the meeting.

Trustee Teubert stated that students were provided detailed information at, and outside, the meeting about the impact of the new BRT route structure and schedule, and that a majority of the students are in favor of the BRT alternative. Further, he stated that if CyRide is unable to afford this option, the All Articulated option could then be implemented. He indicated that the project could be changed after CyRide knows more about whether the BRT option could be federally funded.

Trustee Gartin asked for further clarification on what the federal government would pay for. Director Kyras responded that the federal government pays for only capital costs, not operating. Trustee Haila shared that the operating costs are lowered with the All Articulated and BRT options.

Trustee Madden shared that he was also ready to choose an option. He responded to a general discussion about the merits of the student Fare Free program. He indicated that students are not riding fare free, but that they contribute approximately three-fourths of the cost of operating CyRide's system. He stated that the concept that students ride for free is not an accurate description. He also indicated that the community and university's cost for bus service is lower for all parties as a result of the shared local funding partner structure.

Trustee Schainker shared his belief that, under the fare free system, students do not pay at the same rate as non-students and that the revenue per ride keeps declining, which impacts CyRide's ability to keep up with increasing cost. He indicated he believed it was unsustainable. He questioned the percentage of federal revenue for the BRT project and asked if the costs reflected facility costs to house the buses as well. He shared his thoughts that CyRide could not afford both the BRT and other costs necessary to keep CyRide moving forward.

Director Kyras shared that the BRT project was a plan for the future; however, if ridership did not grow, CyRide would reduce its expenses to match demand for its services.

Trustee Schainker asked if CyRide could approve the BRT project at this meeting and then not move forward with the federal process to determine if the federal government would financially assist with the project. He was concerned with the timing of this

decision and moving it forward at this time. He indicated that CyRide would have four additional articulated buses to use on the Orange Route service in the fall and suggested waiting to see what impact this had. Director Kyras shared that the new Transportation bill increased the New Start funding by 20% this next year and that this change could possibly allow more new projects to be funded next year. Trustee Schainker further addressed his concerns indicating the facility challenges CyRide was facing this next year and the need to find a resolution to this issue as well.

President Haila asked how CyRide could amass the local share requirements under the different options. Director Kyras indicated that the board would have several options on how to fund the capital local share requirements, such as increasing the capital budget each year for the next five years to generate the revenues needed, a one-time increase prior to implementing the project, or that the students/university could fund the cost through higher fee increases or utilizing trust fund dollars. She indicated that this would be part of the Project Development phase to begin discussing these possibilities. Trustee Schainker was concerned that these questions were not addressed when choosing an option.

Trustee Abbas and Trustee Teubert indicated their support for the Bus Rapid Transit option. Trustee Abbas suggested moving forward in approving the BRT option, applying for the grant and then deciding how the local funders could address the dollars needed for this option. Some transit board members shared their discomfort with how CyRide could address all of its needs. Trustee Teubert added that the Transit Board had a “fall back” option in the All Articulated bus option. Trustee Abbas shared his thoughts that he believes that approving the BRT option now, provides a clear vision for what the students desire, which can be used as input in the System Redesign Study.

Trustee Madden supported moving ahead with approval of the BRT option at this time, adding that its implementation is “so far down the road” that CyRide would not have the funding figure out before a decision needed to be made. He indicated that he was comfortable with making a decision since it did not constitute a financial “obligation” at this time.

Director Kyras suggested that if the BRT option was approved at the meeting that submission of the first steps in this process be delayed until after FTA officials conducted a field visit to Ames regarding a potential BRT project. She indicated that this visit was tentatively scheduled for March 2016 and the letter could be submitted in April. Trustee Teubert was in favor of this suggestion as it would also give CyRide staff time to prepare a quality submittal.

Transit Board members asked what the current board needed to commit to at this time, specifically referencing whether planning dollars needed to be determined at the time of approval. Director Kyras said that the remaining dollars in the Orange Route Study

grant could fund the letter to the FTA in April and the Environmental study costs. She indicated that if FTA approval to enter into Project Development was received, then the Transit Board would need to commit funding for the preliminary design of the BRT system, most likely costing approximately \$200,000 - \$300,000, but that this could be reimbursed at 83% (later determined to be 80%) if the project received full funding later in the process.

President Haila shared his thoughts that he was more comfortable in waiting until the next meeting in February to make a decision and then if the outcome of the letter to FTA allowed CyRide to enter into Project Development, CyRide could wait another year until the System Redesign project was completed to begin the BRT Project Development. Director Kyras shared her thoughts that the FTA would not be comfortable with approving CyRide for Project Development and then waiting a full year to begin this process. She further shared that most likely within the first six months of the System Redesign project, CyRide would know whether the BRT system, as developed in the Orange Route Study, fit within the system-wide concepts being proposed. Mr. Troe added that he was skeptical that a better option for the route could be identified in the System Redesign project, other than the ones identified in the Orange Route Study.

Transit Board members asked if CyRide had received approval by the MPO for \$100,000 to support the System Redesign Study and Director Kyras said that the MPO had not addressed this issue to-date, but that CyRide had started these conversations with staff.

Transit Board members asked if the System Redesign consultant selection process could be completed faster. Director Kyras indicated that most likely it would take until July to complete the Request for Proposals, consultant selection process and governing body approvals.

Trustee Haila walked board members and staff present through a graphical depiction of the timeline and financing for both the next steps for the BRT project and the System Redesign Study (see attached). Trustee Gartin suggested for future decisions that using an exercise, such as President Haila demonstrated, would be beneficial.

Trustee Gartin made a motion to move forward with Alternative #1 and approve the Bus Rapid Transit option as the preferred solution for efficiently operating the Orange Route service into the future and requested that staff begin the process of developing material for a possible federal New Start/Small Start grant request, ultimately submitting a letter of request to the Federal Transit Administration to enter into Project Development, with the understanding that the Ames Transit Agency Board of Trustees is not obligating itself to the next step. Motion seconded by Trustee Abbas. (Ayes: Five. Nays: One.) Motion carried.

Trustee Gartin asked Trustee Schainker to share with the board his concerns in voting against the motion. Trustee Schainker indicated that he believes that the System Redesign project is the most important planning tool that the board will have accomplished over the last 30 years and that he would like to complete this before making a decision about a specific part of the system that could have a significant impact on the system overall.

**SYSTEM REDESIGN SCOPE OF WORK:** Director Kyras briefly walked the transit board through the ten tasks as outlined in the System Redesign Scope of Work, indicating the importance that the Scope of Work would have in meeting transit board members expectations for the study. Highlights of this summary are as follows:

- The System Redesign is an important study for the staff and requires the transit board's involvement at a moderate level of involvement.
- A Technical Committee will be established to oversee the project. Members would consist of: City of Ames Traffic and Planning Departments, ISU staff, ISU students and CyRide staff.
- Civic engagement will be diverse and occur at least twice throughout the study, in addition to stakeholder and Transit Board input at the beginning of the study.
- A peer analysis will be completed with 4-6 similar transit systems.
- A survey of riders would be completed to gain customer input.
- Two to three conceptual system redesign models – modification of the existing system, bus free core campus concept and a third option, if a better model is identified.
- Written memorandums at the end of each task, presentations throughout the study and a final document developed.

Trustee Gartin suggested adding language, or a task, to look at services from other communities into/out of Ames. Trustee Madden shared his concern that increasing the scope from an urban study to a regional study would lengthen the time to get it accomplished and that it would complicate the study. He suggested that the Transit Board address the regional issue outside of the study.

Trustee Schainker suggested expanding the survey to include non-riders as they would also have an interest in how the service operated within the city. Groups such as AMOS and senior citizens were specifically mentioned. There was a general discussion on how this information could be gathered and it was decided to let the consultant recommend a method to gain this information.

Trustee Schainker suggested that the stakeholder meetings should include input from neighborhood associations.

Trustee Haila recommended that a review of possible facility needs/expansion sites be added to the scope. Director Kyras indicated that previous studies had provided information on the facility needs and potential sites and that this information could be shared with board members.

Trustee Schainker suggested adding a revenue component to the evaluation of each concept to make sure that each concept was sustainable into the future.

Director Kyras will modify the scope and include a revised Scope of Work on the February 17, 2016 Transit Board meeting agenda.

Agenda item #7, "Calendar Year 2016 Proposed Bus Stop Improvements" and #8, "Transit Directors Report" were tabled to the February 17, 2016 transit board meeting due to time constraints.

**NEXT MEETING TIME AND PLACE:**

- February 17, 2016 at 8 A.M.

**MEETING ADJOURNED:** Trustee Gartin made a motion to adjourn the meeting at 10:07 a.m. Motion seconded by Trustee Abbas. (Ayes: Five. Nays: None.) Motion carried.

## Major Study Timeline

