

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

August 24, 2017

The Ames Transit Agency Board of Trustees met on August 24, 2017 at 8:00 a.m. in the CyRide Conference room. President Haila called the meeting to order at 8:04 a.m. with Trustees Nelson, Gregory, Schanker, Valentino, Haila and Bibiloni present.

Approval of June 28 and August 7, 2017 Minutes: Trustee Gregory motioned to adopt the June 28 and August 7, 2017 transit board minutes as presented. Trustee Nelson seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Public in Attendance: Andy Alexander with CIT Transportation.

Public Comments: No public comments were received by those in attendance. Director Kyras directed the transit board to the email communication handout provided to board members from Mr. Ward regarding feedback on CyRide's S. 16th service.

CyRide Security System – Project Closeout: Director Kyras said CyRide staff worked with several contractors over the summer to complete repairs to CyRide's facility and that one project was ready to close out - security system project. She briefly explained the final documents needed and indicated that all requirements had been met by the contractor, allowing for the 5% retainage fee of \$3,047.77 to be considered for payment.

Trustee Valentino made a motion to accept final completion and approve final payment in the amount of \$3,047.77 to Electronic Engineering for completion of the Ames Transit Agency's security system. Trustee Gregory seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

State Grant Application New Buses: Director Kyras provided a brief summary of the informal board member discussion held during the special August board meeting regarding the State Urban Bus Grant. She indicated that the federal government released a notice of grant opportunity in July 2017 for the Bus and Bus Facilities Program, with grants due on August 25, 2017. Director Kyras indicated that the Iowa Department of Transportation had committed to submitting two applications, one for rural and one for urban transit systems, and indicated that CyRide had been invited to be part of the urban grant. She stated that to be part of the grant, the board would need to take formal action on the number of buses to be included for CyRide and provide a financial commitment to their local match. She indicated that CyRide currently had \$256,000 in new and used bus dollars programmed in the Capital Improvement Plan over the next two year period, prior to when new buses could be delivered. She then recapped the one, three, five and eight new bus purchase options and indicated that staff's recommendation was for the commitment of five new buses for the a local share commitment of \$359,400. This would require commitment of \$102,520 from the

2016-2017 closing balance above 10%. She indicated that this balance was estimated at \$400,000, with \$92,000 previously committed by the board to the bus turnaround at Storm and Welch. This would leave \$212,250 of that balance remaining for other board priorities if the \$102,520 was committed to new bus purchases and a federal grant was awarded for five buses.

Trustee Schainker asked whether the application contained used buses and Director Kyras confirmed that it did not.

Trustee Schainker made a motion to approve and commit \$359,400 in local match for five buses in the Iowa Department of Transportation's urban bus grant, if awarded a federal grant for replacement of buses. Trustee Gregory seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Federal Operating Grant Application: Director Kyras briefly summarized the process for receiving federal operating funds, indicating that it was an annual process once each transit system's allocation was released. She indicated that CyRide's share was \$2,001,816, which was \$1,816 higher than was included for this revenue source in the 2017-2018 budget.

Shari Atwood, CyRide's Transit Planner, explained the two funding programs that comprise the total federal operating funds. She indicated that the first program is based on population and population density and provides \$1,046,626 of the total funds. She indicated that the second program, called Small Transit Intensive Cities (STIC), is based on how efficient CyRide is compared to larger transit systems serving populations of 200,000 to 999,999. She indicated that CyRide received \$955,190 from this program based on achieving five of the six STIC performance criteria due to its performance being better than transit agencies serving larger communities. She also indicated that CyRide had met five of the criteria for at least the last five years and that the six criteria would most likely not be achievable by CyRide.

Trustee Gregory asked if there were other options on how to expend the federal dollars in CyRide's budget. Director Kyras indicated that the federal funds could be used for operating or capital purposes, but that it was administratively easier for CyRide/FTA to apply them to CyRide's operating expenses. She indicated that if the funds were applied to capital projects it would take longer to close out the grant and CyRide would need to increase its funding on the operating side to replace the loss of federal funding.

Trustee Schainker asked as to which budget year the funds would be applied. Director Kyras indicated that the \$2,001,816 in federal funding would be applied to the 2017-2018 CyRide budget.

Trustee Gregory shared that Iowa State University had experienced multiple years of enrollment growth, but that it was beginning to see enrollment plateauing. She asked that in light of this changing trend, how ridership and the STIC funds CyRide receives

might be affected. Director Kyras stated that CyRide has firmly achieved all five of the STIC categories in recent years and that its ridership would have to drop significantly to reduce the number of criteria received. Shari Atwood indicated that CyRide achieved one less criteria between 2008 and 2010. Director Kyras indicated that this occurred when CyRide's ridership was around 5 million rides.

Trustee Schainker made a motion to authorize the Transit Director to execute and file a Section 5307 grant application in the amount of \$2,001,816 to the Federal Transit Administration. Trustee Gregory seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

ICAAP Grant Application: Director Kyras provided a brief history of past Iowa Clean Air Attainment (ICAAP) applications, indicating that CyRide had received additional funding (up to three years for several new services) that had been approved/funded by the board in budgets. She indicated that staff was seeking consideration of services to include in the newest round of ICAAP applications due to the Iowa DOT by October 2017.

Shari Atwood summarized the proposed application, indicating that staff recommended applying for the third and final year to support the #9 Plum route service at a total cost is \$266,225. She indicated the 80% ICAAP share would be returned to the students as it was funded with 100% of the funding paid for by the students at the time of its initial board approval.

Trustee Gregory asked if any of the System Redesign changes could be eligible for ICAAP funding. Director Kyras indicated that some services would be eligible and that staff would develop a recommendation for the 2018 ICAAP round of applications that would include these services, which could receive funding for the second, third and fourth years of these services.

Trustee Gregory made a motion to approve submission of an ICAAP grant application for \$212,980 for operating expenses on the #9 Plum route. Trustee Nelson seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

System Redesign S. 16th Street Service: Director Kyras shared staff's concern with an unanticipated impact of the approved System Redesign Plan on S. 16th Street. Specifically, she indicated that with the approved plan, the #9 Plum route was a school – year only service and with the elimination of the #4/#4A service this would leave summer and school break times without service in this area of the community. Further, she indicated that service along S. 16th Street serves lower-income individuals at the Laverne apartments and the mobile home park. She indicated that residents would need to walk to S. Duff or the hub at the Iowa State Center to access CyRide services.

Director Kyras indicated that staff had developed three possible scenarios to address this issue – increase operating expenses/realign budget, reduce approved service or no change in the approved plan. She explained that the first option would adjust budget line items to fund the summer/break time service by reducing health care costs in the 2018-2019 budget that staff believes can be lowered based on recent experience in this line item. This decrease would be offset by an equivalent increase in operating costs to pay for the additional service on the #9 Plum route. The cost to operate this service at a 60-minute service level during the summer/break period is estimated to be \$58,000 per year.

Trustee Schainker asked for clarification on the cost of this service and how it might relate to the potential saving next year if the ICAAP application creates a budget savings of \$212,000. Director Kyras indicated that the costs would be actual if the board approved the service revision to the System Redesign Plan and the ICAAP funding was a possibility. Trustee Schainker asked for clarification on who paid for the school year #9 Plum route. Director Kyras indicated that the students paid for one bus and CyRide (all three funding partners) paid for the second bus on the route. She indicated that the ICAAP application was for the student-funded bus.

Trustee Gregory asked if the summer/break cost of \$58,000 could be added to the 2017 ICAAP application. Director Kyras indicated that the standard protocol was for the transit board to approve the service and for CyRide to apply for the second, third and fourth years of the service. She indicated that it could be one of the ICAAP applications submitted in 2018.

Trustee Schainker suggested that the #9 Plum route summer/break service be paid for 50% by CyRide through a reduction in health care costs and the remaining 50% be paid for by the Student Trust Fund. He indicated this would mirror the way the service is currently funded on the #9 Plum route, with a combination CyRide/Student Trust fund dollars.

Trustee Gregory asked for clarification as to whether this service commitment was for one year or more. Director Kyras indicated that it would be part of the annual budget every year from this point forward, if the board approved the service improvement.

Trustee Haila shared his thoughts and concern that the consultant was not aware of this impact on the community at the time of their final recommendation. Further, he indicated that the transit board would not have approved the System Redesign Plan had it been aware of this impact. He felt strongly that the consultants needed to be made aware of this oversight on their part and Trustee Gregory agreed with President Haila.

Trustee Gregory shared her thoughts that she was in favor of allocating \$58,000 in funding from the Student Trust Fund if it was the board's desire to fund the summer/break period on the #9 Plum route. She indicated that if an ICAAP grant was

submitted for this service next year, that the funds could be returned to the Trust Fund at that time they are received.

Trustee Schainker suggested that the board fund the additional service by taking only 50% from the Student Trust Fund and the remaining 50% from CyRide's 2018-2019 budget, through a reduction in health care costs. Further, he indicated that if ICAAP funding was received that it could be shared back in these same percentages.

Trustee Gregory asked for clarification on the difference between proposed alternative #1 and #2. Director Kyras indicated that both alternatives would fund the service improvement, but the difference is when that decision is made. In Alternative #1, the board would decide at the current meeting and this would allow staff to complete its implementation and for the public to be aware that service would be available along S. 16th street during summer/breaks. Alternative #2 would not make that decision at the current meeting, but would include it as a budget option in December when the board had the full 2018-2019 budget information available.

Trustee Gregory made a motion to modify the approved System Redesign Plan to include break and summer service for the #9 Plum route and include this service in the 2018-2019 **baseline budget**. Further, that funding for this service improvement be paid for 50% from the Student Government Trust Fund and 50% from a reduction in health care costs in the 2018-2019 budget and, if this service is funded in a future grant, that the savings be shared in the same manner. Trustee Schainker seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Quarterly Operations Report: Director Kyras summarized CyRide's performance over the last quarter of the fiscal year (April – June 2017) and year-to-date as follows:

- **Ridership** - This is the first year CyRide has experienced a ridership decline in 11 years, -1.9%. She indicated that school year ridership was only slightly reduced when special event ridership was deducted. She indicated that the largest decreases were in Dial-A-Ride and Moonlight Express services.

President Haila asked if staff had any idea why Dial-A-Ride ridership is lower. Director Kyras said CyRide will have their biannual meeting with HIRTA staff next month to discuss ridership and will have the opportunity to address this question at that time. Director Kyras provided a few examples of how this ridership level could have occurred and indicated that "typical" ridership on this service generated between 10,000 and 12,000 trips each year.

President Haila asked how often CyRide staff interacts with HIRTA about the service. Director Kyras replied that discussions occur in various ways - at conferences, when complaints are received, biannual meetings, through email and CyRide staff has begun completing ridechecks on their service.

President Haila indicating that CyRide expenses for Dial-A-Ride were trending lower and wanted to ensure that customers that need this service are getting a quality service. He indicated that this service is important to the community.

Director Kyras indicated that lower Moonlight Express ridership could be due to fewer students frequenting the Campustown area and that Uber is beginning to have an effect on this service. Trustee Gregory added that ISU's Safe Ride Program has also grown dramatically.

- **Accidents – Customer Comments** - Accidents and customer comments were lower for the year.
- **Farebox** - Farebox revenue was higher the last three quarters of the fiscal year; ending 2.1% higher.
- **Maintenance** - Major mechanical repairs are higher for the year, but have not impacted CyRide's operations. With the new emissions equipment required by the federal government, buses have experienced a higher frequency of mechanical failures. She indicated that with only one manufacturer for this equipment most likely this will be an on-going trend.
- **Interior of Buses Cleaned** - There is a slight decline in the number of bus interior's that were cleaned last year; however, buses on average were cleaned four to five times over the course of the year. There was a discussion on what level of cleaning is done on a daily basis versus the number reflected in the quarterly report, which represents deeper cleaning.

Trustee Gregory encouraged Director Kyras to provide information to her regarding CyRide challenges and she will submit these to the Iowa State Daily in light of the board's discussion on behaviors during the Moonlight Express service.

Transit Director's Report: Director Kyras provided the board with the following updates:

- **Communications** – Director Kyras shared the two letters that the board had requested be sent on their behalf regarding AmesNet and the Lincoln Way Corridor Plan.
- **System Redesign** – The Director shared the work that staff had been doing over the summer from bus stop/shelter analysis with 80 of the 400+ bus stops impacted, securing of a marketing firm and plans to have all materials prepared by January 1, 2018, to preparation of nine different schedules for the summer and fall changes. She also shared that minor schedule changes from the service approved in the System Redesign Plan were being planned to aid customers in using the system, so slight variances may occur from the plan approved by the board in April (i.e. – Changing the route number for the Peach route to #14, modifying the new Gold route to operate southbound through Schilletter Village on the weekends). Also, that all approvals for the turnaround had been completed and was proceeding according to schedule, that Target had agreed to

operating the Blue route across their property and that a video was being developed with a GoPro for drivers to become familiar with the new route.

Trustee Schainker asked Asst. Director of Operations, Barb Neal, about the two buses he saw at the Research Park at approximately 5:30 p.m. Barb Neal said she would look into this situation, but it could be due to the need to deliver a passenger to a stop on the Brown route on the last trip of the day.

Trustee Haila asked whether Mr. Ward's email to board members had been addressed. Director Kyras indicated that it had with the action the board took on the S. 16th Street agenda item. Board members requested that the Director respond to Mr. Ward on behalf of the board regarding this action.

Trustee Item: Trustee Schainker explained the process used to review the Director's performance and indicated that the board was pleased with her performance, which was a result of excellent staff work as well. He also recapped the goals the Director and board had developed for the 2016-2017 year, which included the following: an approved System Redesign Plan, addressing the driver shortage, managing changes needed for the Affordable Care Act, and labor negotiations. He briefly discussed the achievements in each of these areas.

Trustee Schainker then shared the Director's goals for the current year:

- Implement the System Redesign Plan
- Seek funding and approval for the Towers Turnaround
- Develop a plan to expand the facility, either at the existing or satellite site
- Coordinate an Affordable Care Act implementation policy with the City's Human Resources Department
- Work with the Department of Labor/Union
- Develop 2018 TAM Plan Performance Measures/Targets

Trustee Gregory shared that she believed transit board goals were needed regarding how CyRide should plan for future ridership levels. Further, she indicated that ISU was at the end of sustained enrollment increase period, which could impact CyRide's ridership. She encouraged focusing on increasing non-student ridership in the future, acknowledging that this was a challenge. Trustee Schainker indicated he agreed with her assessment. Director Kyras asked for further clarification of thoughts, asking if she envisioned a special board work session to discuss this topic or believed it should be added to a future board agenda and if there was specific data that would help the board develop this vision. Trustee Gregory shared her thoughts that the transit board would need data that she believed was already available, such as ridership numbers before the enrollment increase and ridership trends, as well as non-student population demographics, resident needs for new service and city development patterns. Trustee Gregory specifically indicated that it would be helpful to have information on where the city is expected to grow, enrollment projections, tuition forecasts, parking plans, etc. to

map out a plan for CyRide. The board then discussed a scenario where significantly lower ridership occurred and its impact on CyRide's ability to continue current service levels.

Trustee Gregory also shared her thoughts on ISU enrollment stating that she does not believe that enrollment will continue at past levels for several reasons – Iowa's K-12 student population is not growing, other colleges/university have adopted ISU's successful student recruitment program, and there are fewer international students due to national policy changes. She shared her concern on how this could impact CyRide in the future and urged the board to begin looking at this issue.

Trustee Bibiloni indicated that students had been discussing ISU's financial situation and its impact on tuition. He indicated that students were assuming that there would be no more state cuts and a constant funding level in the future.

Trustee Valentino shared that the predicted annual 7% tuition increase per year is creating a concern for students and indicated he believed this would deter students from coming to Iowa State University, citing that a college education is becoming very expensive. He agreed with the assessment of CyRide focusing on non-students in the future, which could increase revenue and temper the fluctuation created by student enrollment.

President Haila shared recent information he had learned about a situation where a university had experienced a 2,000 student enrollment decline and the struggles that then occurred within the community it resided in – building growth came to a halt, businesses were struggling, etc. He believes that CyRide needs to be proactive and address this issue and possibly even share its potential impacts with the legislature.

Trustee Gregory shared the current struggles that the funding is creating, such as staff retention. She also shared that CyRide needed to consider its competition – Uber, parking policies at ISU, etc.

Trustee Valentino shared his thoughts that CyRide will need to be more creative in the future, citing the Innovative Services zone and Safe Ride service as examples.

Set Meeting Times and Place:

- September 20, 2017 – 8:00 A.M.
- October 19, 2017 – 8:00 A.M.
- November 16, 2017 – 8:00 A.M.
- December 7, 2017 – 8:00 A.M.

Adjourn: Trustee Nelson made a motion to adjourn at 9:46 a.m. Motion seconded by Trustee Valentino. The motion was approved by consensus.