

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

September 20, 2017

The Ames Transit Agency Board of Trustees met on September 20, 2017 at 8:00 a.m. in the CyRide Conference room. President Haila called the meeting to order at 8:01 a.m. with Trustees Schainker, Valentino, Haila and Bibiloni present. Absent: Trustee Gregory and Nelson.

Approval of August 24, 2017 Minutes: Trustee Valentino made a motion to adopt the August 24, 2017 transit board minutes as presented. Trustee Bibiloni seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

Public Comments: Trustee Valentino asked Director Kyras if she had responded to the Iowa State University student request for CyRide to consider playing music over the radio like CAMBUS and other universities.

Director Kyras stated that she had responded to the student's email, stating that typically transit systems do not play music on their buses, as riders have varying tastes in music and it can offend some riders. Director Kyras indicated that she was not sure what CAMBUS policies stated on this issue, but stated that they are a university only system, as opposed to CyRide that serves both the university and city, so she indicated that this might be the difference. She indicated that she would visit with the CAMBUS Director at the next state association meeting.

Transit Advertising Presentation – Houck Transit Advertising Co.: Director Kyras explained that last March the Ames Transit Agency Board of Trustees awarded a transit advertising contract to Houck Transit Advertising Co. This new contract guaranteed CyRide revenue of \$250,000, with 60% of the gross revenues to CyRide. Director Kyras indicated that Houck Transit Advertising Co. was in attendance to present different types of advertising options used in the industry and to determine whether there was interest in any new types of advertising on CyRide buses. Director Kyras then introduced Justin Houck, President of Houck Transit Advertising for a presentation of the different advertising options.

Mr. Houck introduced his co-worker Mr. Walters, CyRide's account representative. Mr. Houck provided a brief history of his firm and current client base. Further, he indicated that his firm had partnered with CyRide for 20 years.

Mr. Walters then shared his perspective of the Ames market, by indicating that the summer had been one of the busiest in Ames for bus advertising. He explained his approach in the local, regional and national markets and customer service perspective. He then described CyRide's current advertising options – several sizes of exterior and interior ad's. He then explained their new approach to the articulated buses, where the buses were "sold out" at \$15,000 per year in revenue compared to a standard 40' bus at approximately \$4,000 per year.

Trustee Schainker asked if the revenue described represented total, gross revenue or CyRide's share. Mr. Walters stated it was gross revenue and CyRide would receive 60%. Mr. Schainker asked if this revenue would increase CyRide's share. Mr. Walters indicated that it was part of the total revenue and if additional revenues were generated above the guaranteed level, CyRide would share in those revenues. He indicated that the recently accepted bid was based upon revenue from current advertising options only. Director Kyras shared that Houck Advertising had exceeded its previous contract's lower guarantee (\$110,000) for the past several years.

Mr. Walters then explained several new types of advertising that CyRide could consider to increase its advertising revenues. First, he described several variations of wrapped buses – whole bus, half a bus, curbside wheel well to wheel well and back of the bus. He also described the vinyl wrap material and its impact on customer's ability to see out of the bus (similar to tinted glass). Mr. Walters acknowledged that branding is important to CyRide and was the reason for the various options described.

President Haila shared his thoughts that any new types of advertising needed to easily be incorporated and not compete with CyRide's branding. Mr. Walters indicated that the bus wraps could include CyRide's logo and phone number in the headliner portion of its buses.

Mr. Walters explained that full bus wraps would generate \$15,000 per year in gross revenue per bus. He also indicated that the half bus wrap would generate \$350 a month and back bus wraps would generate \$250 a month.

President Haila asked if advertisers are responding positively to advertising on CyRide buses. Mr. Walters indicated that there was no method to directly correlate product sales to bus advertising, but indicated that the best indication was repeat business, stating that CyRide had several advertisers who had been on CyRide buses for years.

Mr. Houck explained how the vinyl material applied to the bus and that it is easily removed. He also indicated that their firm would be responsible for the cost of a wrapped bus if it is in an accident and the graphics need to be repaired. He indicated that the bus would not be available for service for several days during the application. Further, he indicated that he would not propose that the articulated or CyBrid buses be wrapped, but that wrapped buses be operational year-around.

Mr. Walters then explained an interior advertising option - digital messaging. He indicated that a bus signage manufacturer, Luminator Technology Group, offers a digital platform for advertising inside the bus and a real-time messaging mechanism for transit systems. He indicated that Houck Transit Advertising would manage the platform from their office in St. Paul. He indicated that as many as 20 advertisers could be displayed on the signage at one time. He indicated it could operate from a Wi-Fi or cellular platform, but would prefer the Wi-Fi version as it could automatically download each night. Their

proposal is to add this to the articulated buses as a demonstration project with two or three display screens on each bus. Mr. Walters indicated that Houck Transit Advertising would pay for the capital equipment for the demonstration project and in return would need 70% of the revenue to recoup their costs. CyRide would receive 30% of the gross revenue. He indicated that if the demonstration was successful, different conditions could be negotiated.

President Haila asked what the potential maximum revenue for CyRide might be, stating his concern that revenues could be reduced in the future for various reasons. Mr. Walters indicated that his estimate of CyRide's maximum share could be \$300,000 to \$350,000 per year. He also indicated that current gross revenues were on track to be approximately \$416,000 this calendar year – an increase of approximately \$70,000 compared to last year.

Director Kyras shared staff's thoughts on the potential new advertising types. She indicated that staff was very interested in the digital demonstration project as it could benefit CyRide, as well as bring in advertising revenues, but indicated that to reduce visual clutter on the inside of the buses, she would recommend that handle ad's be eliminated. Mr. Houck indicated that it was no longer selling handle ads. She continued saying staff has mixed interest on the exterior bus wraps. She indicated that CyRide's image/branding was a concern, as well as visually being able to see in or out of the buses. She indicated that customers could see through windows that were wrapped, but the clarity was reduced. She also stated that TSA has concerns with bus wraps, as emergency responders cannot see inside of the bus if an incident occurs.

Director Kyras indicated that if the board desired to try a wrap option, that she would recommend the back of the buses as it eliminated the wrapped window concerns and had less of an impact on CyRide's brand.

Trustee Schainker shared his thoughts that he was not supportive of a wrap option other than possibly the back of the bus, indicating his concerns with its interference with CyRide's brand. He indicated that he was supportive of the digital advertising signage.

Trustee Valentino shared his thoughts and concerns about CyRide's image, but also said he was supportive of the digital advertising sign and possibly the back of the bus. He indicated that he believes that the sides and front of the bus were critical to CyRide's image.

Trustee Bibiloni stated that CyRide's cardinal and gold image was important to maintain as it operates throughout the community.

Trustee Schainker asked what the revenue might be from the digital signage. Mr. Walters indicated that, as it was a demonstration project and was currently untested, his best guess would be between \$5,000 and \$13,000 per year. Mr. Schainker indicated

that this was a large range and Mr. Walters responded that, through the demonstration project, they would be able to answer that question better.

Mr. Houck posed a question to board members about wrapping a limited number of buses, citing that other transit systems did not allow their entire bus fleet to be wrapped. Mr. Schainker indicated that he would not be supportive of this option.

Trustee Schainker shared that he was in favor of trying the digital advertising. There was a consensus of board members that agreed with this approach. Director Kyras asked for board members opinions on wrapping the back of the buses. Trustee Schainker said he could be in favor of this wrap option, but wanted to ensure that it was financially beneficial.

Trustee Bibiloni stated that he supported maximizing advertising revenue, but not at the expense of CyRide's image as he believes that that it is important to promote CyRide's brand to the public. He indicated he supported the digital advertising signage and the back of the bus wrap option as they maintained this image.

Trustee Valentino indicated he supported the back of the bus wrap option as it could promote products/services in the community that were beneficial to students and the digital advertising sign as it allows CyRide to connect with its customers.

Trustee Schainker stated his support of the digital signage, indicating that it allowed more advertisements in a small footprint. He asked whether digital signage was possible on the exterior of the buses, much like the newer billboards. Mr. Walters indicated that the technology is available; however, each sign costs approximately \$50,000 and he explained that if the bus was in an accident, it was cost prohibitive to replace. He also indicated that it might cause other drivers to become distracted while driving.

Trustee Schainker made a motion to approve the digital advertising demonstration project on the six articulated buses at a 70% advertising firm/30% CyRide revenue share and that if the project was successful, further discussions would be needed to expand the program. Trustee Valentino seconded the motion. (Ayes: Four. Nays: None.) All in favor.

There was a general discussion regarding the benefits of a wireless versus cellular platform for the demonstration project. Mr. Walters indicated that the cellular option allows for more real-time messaging; however, the wireless option allows for automatic downloads at CyRide's facility when buses return. He indicated that the wireless option was their preference.

Changes in Accounting Procedures: Director Kyras shared with board members that, through the City of Ames' annual audit, a need for a change in accounting practices was discovered on how federal revenues were applied. She indicated that Duane Pitcher, City of Ames Finance Director, and Tina Stanley, Asst. City Finance Director, were

present at the meeting to answer board members specific questions. She then explained the accounting change, indicating that federal revenue for the year and CyRide's budget year must be the same and that CyRide must accrue the federal revenue back to the same CyRide budget year if the allocation is received after the end of the year. The result is that the 2016-2017 budget will include two federal formula allocations, and the 2017-2018 budget year will be over before CyRide receives its 2017-2018 federal allocation, creating a cash flow issue.

Director Kyras then explained why the federal funds had been applied to a different year in the past, tracing the procedures back to when the City of Ames exceeded 50,000 in population in 2000. She indicated this change designated Ames as a small urban area and required CyRide to receive federal urban transit funding instead of rural funding. As a result, the Iowa Department of Transportation directed CyRide to delay its receipt of its urban allocation, so that it did not received both rural and urban funds in the same year. She indicated that CyRide has operated under this policy since that time.

President Haila directed a question to Mr. Pitcher, asking if a federal allocation received after the end of a CyRide budget year would be received if, for some reason, CyRide no longer existed. Mr. Pitcher indicated that it would be received and accrued back to the appropriate fiscal year to expenses incurred that year.

In light of this change, Mr. Pitcher recommended revising the board's closing balance policy and carrying a higher balance for cash flow purposes. He recommended an additional amount equal to an estimate of the federal allocation. He further clarified that this would be in addition to his previous 7-10% recommendation and board's current policy.

There was a lengthy discussion to clarify the change and closing balance recommendation.

Trustee Schainker shared his thoughts on how this change will impact CyRide's budget process, indicating that staff would need to estimate federal revenues as they will not be known/received until after the year is completed. Further, he indicated that the previous year's closing balance would need to include an amount equal to the federal funding, so that expenses could be paid until the federal allocation is received after the year had ended. Specifically, he stated that CyRide would need to maintain a closing balance of 10%, plus allocated federal funding in light of this accounting change. He suggested a board policy that would include in the closing balance the cash flow that would be needed for the next fiscal year to fund the operation.

Trustee Schainker made a motion to establish a new closing balance policy to maintain 7 - 10% of CyRide operating expenses plus the next year's estimated federal funding allocation. Trustee Valentino seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

CyRide Roof Repair – Project Closeout: Director Kyras provided a brief summary of the reroof project stating that the capital plan budget for the project was \$375,000, the bid award was \$307,000 to Academy Roofing & Sheet Metal of Des Moines and that work was completed over the summer with all closeout information provided and the work satisfactorily completed. The retainage amount is \$15,350.

Trustee Schainker made a motion to accept final completion and approve the release of retainage in the amount of \$15,350 to Academy Roofing & Sheet Metal Company for the completion of the CyRide Reroofing 2016 Project. Trustee Valentino seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

Maintenance Truck Equipment Purchase: Director Kyras provided a brief summary of the maintenance truck purchase and equipment needed to make this vehicle function in numerous manners to support CyRide’s daily operations – snow plow, sander, push vehicle for incapacitated vehicles, etc. She indicated the original capital budget was \$75,000 for the truck and equipment, but that this was increased to \$85,000 after the truck purchase was higher than planned. Remaining funds to equipment the vehicle were \$51,262; however, the single bid was for \$59,672, \$8,410 over budget. A savings from the purchase of mobile lifts of \$16,631 will be used to address this overage. She indicated that staff discussed rebidding the project, but believes that, due to the specialized equipment, additional, lower bids would not be received.

President Haila requested confirmation that both projects could be fully funded by shifting funds from the mobile lifts to the maintenance truck equipment purchase. Rich Leners, CyRide’s Fleet & Facilities Director, indicated that there was adequate funding for both projects.

Trustee Schainker made a motion to approve the purchase and installation of a custom built utility body, power V snowplow, custom fabricated push bumper, and material spreader package to Hawkeye Truck Equipment of Des Moines, IA for \$59,672. Trustee Valentino seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

Transit Director’s Report: Director Kyras updated the transit board on:

Open Driving Hours Update: Director Kyras explained that CyRide is experiencing another driver shortage this fall as its goal is to have no more than 250 - 300 open hours and currently has 750 open driving hours per week. She shared several factors that were contributing to this shortage:

- CyRide lost more than the average number of drivers in the spring/summer
- Unemployment in Ames is 1.9%
- More applicants are not making it through CyRide’s hiring process

She further explained that the most recent recruitment was large one and, while it takes approximately three months to complete a driver’s training, this should help in getting closer to the desired goal as this is the largest recruitment of the year. She

also described a change in hiring practices that will hopefully shorten the time to get the CDL permit and employs drivers as they are training for this test.

President Haila shared his concern that previous changes had not avoided this issue and asked for clarification on who pays for their CDL license. Director Kyras said that CyRide does not pay for the CDL test as there is a concern that CyRide could be used as a way to get this license and then move to another employer. She also shared that Durham is having a difficult time with hiring, as well as CIT.

Copper Beach Update: Director Kyras shared that Copper Beach had informed Iowa State University that they would not be operating a private shuttle to campus this fall, but may consider this for the spring semester. President Haila asked for clarification about whether a private shuttle, connecting to CyRide would be a challenge. Director Kyras indicated that current discussions were not to transfer to a CyRide bus, but to take students directly to the fringe of campus.

System Redesign Final Document, Public Meeting & Marketing Concept: CyRide received the final invoice and documents along with the Executive Summary in July 2017. The Executive Summary was provided to the transit board and received no comments. CyRide staff has gone through it, made the necessary changes and are ready to pay the final payment of \$5,812.

Director Kyras provided an update on the marketing and outreach efforts. She indicated that a public meeting will be scheduled for late October/early November to introduce the changes to the public. CyRide staff met with its marketing consultant on how to educate the public on these changes. The marketing consultant suggested to not try to educate the public on all the changes, rather to market the website where more detailed information could be provided. She shared the preliminary graphic options for the marketing campaign to board members.

Trustee Schainker asked what information would be contained on the website. Director Kyras indicated that staff had not begun these discussions, but indicated that it would most likely include a summary of the changes and the new schedules at a minimum.

Trustee Bibiloni asked when the system redesign would be implemented. Director Kyras indicated it would occur in two phases – May and August 2018. Further, she indicated that marketing of the changes will begin in January 2018.

Trustee Valentino shared his thoughts on the marketing graphic options, indicating that he was not in favor of the vintage looking option and suggested the colors match CyRide's color scheme. President Haila suggested including CyRide's "swoosh" to the graphics.

Facility Update: Director Kyras shared that the goal for the October 2016 transit board meeting was to gain direction on where CyRide's facility expansion should be located – existing site versus a second site. She then provided a flow chart with the process that would be required over the next year to be prepared to apply for a grant application next July to help fund this expansion.

A general discussion of the process was held. Director Kyras indicated that if a second site was chosen as the preferred expansion plan, that CyRide would work with a committee of CyRide, ISU and City staff to identify potential sites for this expansion. She also shared that a new commercial driver's license requirement that will become effective in 2019 will require CyRide to have a dedicated training course, which will impact the size and site decisions. The board shared their concern with this new requirement and struggled with the logic of this change. Barb Neal further explained that the new regulations required this new course if a transit system will be training its own drivers.

Fuel Costs Update: Director Kyras indicated that, to-date, CyRide's fuel costs had averaged \$1.71 per gallon, which is still below the budget cost of \$2.50/gallon, but indicated that prices had increased from the beginning of the fiscal year to current from \$1.49 per gallon to \$1.85.

Signal Timing Impact on Routes: Director Kyras shared that operations staff were experiencing a new challenge this year with two critical intersections - Lincoln Way and Welch and Stange and Pammel. She stated that pedestrian walk cycles had been added to these signals, reducing the timing allowed for turning movements. She indicated that as a result, it was taking some buses up to an additional 10 minutes to travel their route. She indicated that staff was working with both ISU and the city to determine if adjustments could be made to reduce this impact on CyRide. She also shared that if the buses cannot maintain a reliable schedule, additional buses may be needed to address this change.

President Haila asked staff how the S. 3rd/4th Street reconfiguration was impacting CyRide. Director Kyras indicated that CyRide and City staff had had numerous discussions about this street and had relayed its safety and route timing concerns to staff. She indicated that city staff was working with CyRide to adjust signal timing to try to address the timing concerns.

Trustee Schinker expressed his concern that, with the Complete Streets initiative, he was struggling to figure out how all modes of transportation could be accommodated without significant concessions by one or more modes in a corridor. He encouraged the Director to request being part of the Complete Streets study committee to work through these challenges and find a balance.

President Haila suggested CyRide have a conversation with the bicycle coalition on options and to share CyRide concerns.

Director Kyras also updated the board on ridership for the first week of school, indicating that ridership was 1.6% lower than the first week last year. She also shared that a majority of the ridership reduction was on the Red route from west Ames to campus, which has always experienced ridership increases.

President Haila shared his thoughts that it could be related to the saturation of apartment complexes in West Ames along with stable ISU enrollment.

President Haila asked when CyRide would be meeting with HIRTA staff. Director Kyras indicating she believed a meeting was scheduled for October 6, 2017.

Trustee Bibiloni shared his discussion with ISU's ADA Group for Disability Awareness and their desire for changes. Director Kyras said that staff had met with this group and were working through their list of concerns. She indicated that one change that had been requested had already been made to the Dial-A-Ride brochure. Barb Neal, CyRide's Assistant Director of Operations stated that a majority of the issues discussed were past experiences and had been addressed at the time of the occurrence.

Trustee Bibiloni inquired about feasibility of purchasing an automated ADA announcement system. Director Kyras indicated that this technology is expensive to purchase and maintain and indicated that staff would be gathering more information regarding these systems at the APTA annual meeting in October where hundreds of vendors will be exhibiting their products.

A question was raised about other technology options, specifically mentioning a voice-activated mic system around the driver's neck. Director Kyras shared her concern that drivers are constantly multi-tasking with customer questions, what is happening outside of their bus, as well as trying to safely maneuver their bus on a time schedule. She indicated that asking the drivers to announce a significant increase in stops would be a safety concern.

Trustee Bibiloni further stated that the Disability Awareness group shared their belief that drivers view disability as a chore or an inconvenience. They mentioned examples such as, passengers have to ask the driver to deploy the ramp and that the visually impaired individual is not able to see where the stop is located. Director Kyras shared that the discussion with this group was to let CyRide know when issues arise so that staff can directly speak with the driver and address the issue. She indicated that mistakes happen and that a reminder will typically resolve the issue.

Barb Neal, Asst. Director of Operations, responded to the concern that a person's disability was perceived as an inconvenience. She stated that the requirement to securely lock a wheelchair in place draws attention to the individual and does take longer to continue on the route. She indicated that this draws attention to the person with a disability and can make them uncomfortable, but is a requirement to safely

transport them. She also used the example that the group requested that the every driver ask other passengers to move from the front seats, indicating that this also draws attention to the individual and can make them uncomfortable, so it is difficult to balance what needs to be done to safely provide service and treating the person with a disability as any other customer.

Director Kyras indicated that additional meetings with the group would be held to work through their concerns.

Set Meeting Times and Place:

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

Adjourn: The Ames Transit Agency transit board meeting adjourned at 10:04am.

John Haila, President

Joanne Van Dyke, Recording Secretary