

**AMES TRANSIT AGENCY BOARD OF TRUSTEES**  
**CYRIDE CONFERENCE ROOM**

November 22, 2017

1. CALL TO ORDER: 7:30 A.M.
2. Approval of October 25, 2017 Minutes
3. Public Comments
4. Bus Shelter Purchase
5. Calendar Year 2018 Fuel Bids
6. Fare Change Analysis/Proposal
7. 2018-2019 Budget Options Discussion
8. Anticipated Closed Session Regarding Labor Negotiations
9. Transit Director's Report
10. Set Fall/Spring Semester Meeting Times and Place:
  - December 7, 2017, 8:00 AM
  - January 16, 2018, 7:30 AM
  - February 14, 2018, 7:30 AM
  - March 20, 2018, 8:00 AM
  - April 24, 2018, 8:00 AM
  - May 24, 2018, 8:00 AM
11. Adjourn

## AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

October 25, 2017

The Ames Transit Agency Board of Trustees met on October 25, 2017 at 8:00 A.M. in the CyRide Conference room. President Haila called the meeting to order at 8:06 A.M. with Trustees Valentino, Gregory, Haila and Schainker present.

**APPROVAL OF MINUTES:** Trustee Gregory made a motion to approve the September 20, 2017 and October 2, 2017 minutes as presented. Trustee Valentino seconded the motion. (Ayes: Four. Nays: None.) Motion carried.

Trustees Bibiloni and Nelson arrived at 8:11 A.M.

**#24 SILVER ROUTE PERFORMANCE:** Director Kyras provided historical and current performance data for CyRide's Silver Route and asked the transit board for direction on whether to include this service with the System Redesign services the next year.

She indicated that the Silver Route operates on request from 6:00pm to 10:00pm connecting students returning to Campus Sunday evenings (who park east of Jack Trice Stadium) with their residence hall. She indicated that this route is one of CyRide's lowest performing routes and is substantially below the minimum off-peak performance standard set by the transit board of 7 passengers per hour. This service has operated over the years as budgets would allow. She stated that ridership had declined each year, only 29 rides had been provided year-to-date and that the service costs \$7,000 annually to operate.

President Haila asked the two student representatives their opinion on discontinuing this service. Both indicated they were not aware of any students that used this service, and while hesitant to reduce student services, believed that its low ridership would not significantly impact students and that these resources could be better utilized on other services.

Trustee Gregory made a motion to approve Alternative #1 to eliminate the #24 Silver Route effective with the 2018-2019 budget (Fall 2018). Trustee Valentino seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

**FACILITY DISCUSSION:** Director Kyras began by providing a brief history of its two facilities located at 601 N. University Blvd. (called CyRide 1) and its second site on E. Edison St. (called CyRide 2). She shared information regarding each facility expansion and when each was constructed due to CyRide's rapid ridership growth. She then briefly explained the history of its last two facility studies in 2009 and 2011, which both assumed a smaller fleet size in 20 years than CyRide operated today.

She indicated that 25 percent of CyRide's fleet is currently parked outside and that this exposure to the elements becomes an operating cost to CyRide, especially during cold winter months. She then explained the operating and maintenance problems that its current facilities create. She indicated that the purpose of the current discussion with board members was to gain direction on where expansion should be located to meet CyRide's space needs today and into the future.

She shared details about the current CyRide 1 site, stating that it was originally built for a 25 fleet vehicles and with five additions and 95 vehicles operating from this site, that this level of utilization has created extreme congestion and has created an increasing number of accidents on the property. She then shared how CyRide utilized the CyRide 2 site as a bus storage site for 4 - 25 vehicles that it shares the site with the Ames Police Department and that CyRide has spent \$50,000 to improve the site for its use.

Director Kyras summarized the 2009 and 2011 studies indicating that the 2009 study began as a space needs study but ended with a site analysis for a satellite facility, and that the 2011 study became a master plan study for expansion at the CyRide 1 site. She provided specific details about the space needs analysis completed at that time, indicating that the study found a need for 4-12 acres and that five sites were identified as potential satellite locations, but each was met with challenges. She provided details on the types of facility concepts that were analyzed to maximize space on the CyRide 1 site, indicating multiple levels and off-site functions were examined. She shared the final, adopted plan, which included three phases, with the first phase further subdivided into Phase 1 and 1A and that 1A became the 2014 addition to the building.

President Haila requested clarification regarding the approved solution for employee parking in the final 2011 Facility Master Plan. Director Kyras indicated that the approved plan included parking on the north side of University Blvd., across from its CyRide 1 facility, as opposed to a parking ramp on its current site.

Trustee Gregory asked for further explanation on the timing of the phases compared to the decision to secure its CyRide 2 site. Director Kyras indicated that CyRide constructed Phase 1A, that it was filled when the new expansion opened and that CyRide still had vehicles parked outside. Later that year, it was determined that the number of vehicles CyRide would own within the next year would exceed the seventeen available spaces outside the CyRide 1 facility; therefore, the Transit Board decided to secure and improve the City of Ames-owned CyRide 2 site, as a temporary location until a permanent expansion solution was found.

President Haila inquired further about the employee parking lot north of University Blvd. and the overall project budget. Brent Schipper with ASK Studio responded by indicating that the Phase 1 and 1A cost estimates were approximately \$12 million and that CyRide had secured \$5 million. He further stated that this was the reason for the smaller 1A project to expand with existing funding, which prioritized bus parking over

employee parking at the time. Shari Atwood, CyRide's Transit Planner, added clarification on the funding sources for the 1A project, which included other smaller building projects as well.

Trustee Schainker and President Haila discussed the need for more inside bus parking as a priority due to the number of years CyRide operates its vehicles. Director Kyras and Rich Leners, CyRide's Fleet & Facilities Director, shared the lower costs and advantages of indoor bus storage.

Director Kyras then discussed the two planning assumptions used to analyze CyRide's space needs today and for the future - planning horizon and fleet size. She indicated that past studies utilized a 20-year planning horizon and that staff had continued with this planning timeframe for this study as well, planning for space requirements that would meet CyRide's needs through 2038.

She then explained the historical trends and future predictions that will impact CyRide's fleet size. She began by historically comparing CyRide ridership with ISU enrollment changes and CyRide's fleet size. She stated that enrollment, as well as development patterns with densification around Campustown and extreme weather conditions all played a factor in CyRide's ridership and fleet needs. Over the past 12 years, CyRide has increased its fleet by 34 vehicles due to these factors; however, CyRide's facility has not been able to keep pace with this growth.

She then briefly discussed current predications for these three trends (enrollment, development and weather). She indicated that ISU's 10-year enrollment project is for stable to slightly increasing enrollment, development near Campus is anticipated to grow more slowly due to the availability of land becoming more scarce and weather will remain variable. As a result, staff's predictions for the next 20 years are that: CyRide will provide between 6.5 and 7.5 million rides annually, which equates to a fleet need of 93-107 vehicles. However, she recommended planning for fleet needs of 125 vehicles, but only constructing facilities as CyRide has a need and funding for.

Trustee Gregory shared her thoughts that CyRide's near-term focus should be on encouraging non-student ridership, which has declined from past ridership levels.

Trustee Valentino inquired about CyRide's space requirements for a training course that met the Federal Motor Carrier Safety Enforcement's future Commercial Driver's License requirements. Director Kyras provided information regarding their upcoming 2020 requirements for a driving "range". She indicated that there were three criteria that a range must meet: unobstructed course, no interference on course and unobstructed site views. She indicated that CyRide's current site at the ISU Center parking lot would not meet 2 of the 3 criteria. She then shared the size of a course at another transit system, which required 2 acres.

Trustee Schainker asked how often CyRide would need this course. Barb Neal, CyRide's Asst. Director of Operations, indicated that some weeks CyRide trained at this site every day, other weeks could be once or twice. He then asked if there was another entity that CyRide could partner with to share the cost of this site. Director Kyras indicated that there could be a number of potential partners and that there would need to be future discussions with these entities to determine if there was interest in a shared facility.

Trustee Gregory asked if this space needs analysis assumed that all buses would be diesel or if alternative-fueled vehicles would change this analysis. Director Kyras indicated that the analysis included space needs for diesel buses only at this time.

Director Kyras then explained the methodology used to determine space requirements for its existing fleet of 95 buses, as well as the future planning fleet of 125 vehicles - industry facility consultant's software program. She briefly explained the results of the space planning program for CyRide's existing fleet, indicating that the program indicated a need for a location with 10 acres, as opposed to its current 4.5 acres. She indicated that the space requirements for a bus fleet and support system for 125 buses required 14.5 acres plus the 2 acres needed for the training course, for a total of 16.5 acres needed to meet CyRide's operations/fleet for the next 20-year period.

Trustee Gregory asked how an additional 30 buses would require so much more land than CyRide currently operated on. Director Kyras stated that the program was based on industry standards and that CyRide was not operating under these standards. She provided the example of the industry standard space need for the area between buses being three feet and CyRide housing its fleet at less than a foot apart. She indicated while this was possible, it was not desirable based on safety concerns.

Director Kyras summarized the space needs analysis by indicating that CyRide's current site was undersized for its current and potential future fleet on a single level. She then indicated that Brent Schipper with ASK Studio had developed a multi-level conceptual design to determine how much additional space was able to be accommodated under this design concept. She indicated that this design accommodated: 95 of the 125 large buses and eight mini buses with indoor storage, a three-story parking garage for employee parking needs, 40% of the maintenance shop need, one of two fuel lanes needed, a larger training room and additional office space.

Mr. Schipper explained his thoughts that trying to fit the needs for 14.5 acres on 4.5 acres was impossible, but that more of the needs could be met with a multi-level structure. President Haila asked if the second fuel lane could be added or the fuel lanes moved to accommodate two lanes. Mr. Schipper indicated that a second one could not be accommodated at the current location and that moving the current lane would be very expensive. He indicated his focus for this analysis was to leave current functions where they were to the greatest extent possible. He further detailed the multi-story concept. He indicated that the employee parking solution for a parking ramp was very

expensive – estimated at approximately \$13 million dollars, without other modifications to the building being considered. He indicated that this was a major hurdle for the concept, along with the lack of maintenance space and a second fuel lane.

Director Kyras said shared her thoughts on the challenges with the current site: airflow around the cooling towers with the ramped structure, visitors will park in the ramp and enter CyRide on the second floor requiring relocation of the lobby, increase use/traffic on University Blvd. to circulate the buses, cost of the parking ramp, phasing of the construction would be more difficult and costly, CyRide would need to relocate during construction and there could be repayment to the FTA on existing concrete that would be removed.

Director Kyras then explained the board’s alternatives for the facility expansion and asked for board direction.

Trustee Gregory shared her thoughts that she did not feel comfortable in making a decision at this time and would need additional information. Further, she indicated that there were a lot of “unknowns” at this time that would need to be worked through, such as what do we think the opportunity to increase non-student ridership would be; do we have Ames’ population correct; do we have the system redesign correct, etc. She stated that understanding the operational costs of the various site choices, as well as the cost if CyRide no longer operated from the CyRide 1 site were questions she still had.

President Haila shared that expanding to the soccer fields south of CyRide 1 was not an option.

Trustee Valentino stated that he understood staff’s recommendation for a second site and could see the long term benefits.

Trustee Gregory said she believes that CyRide will need a facility that will move it from a diesel supported to an electric bus facility, with dual capability for an extended period of time during the switchover.

Board members continued a general discussion of the information needs required to make a decision on the best location for the facility expansion. Discussions regarding the need to identify a specific, second site first, before making a decision on expansion at the current site versus a second site and the costs of each, were discussed. Director Kyras indicated that a full site analysis would need to be completed under this scenario and indicated that this was a labor-intensive study she had hoped would be completed only if board members agreed the best solution would be to not expand at the CyRide 1 site. She indicated that costs of a second site were specific to the location, stating that sites closer to CyRide 1 would be less costly to operate from.

Trustee Gregory asked about the timeframe staff was working toward, as the city was about to start on a two-year master plan for growth, which could impact CyRide's facility decisions. Director Kyras indicated that it was difficult to operate from the CyRide 1 site, that staff had had previous conversations with the board regarding this issue and, also, that grant application opportunities occurred once a year during the summer to assist in funding an expansion project. Further, she indicated that staff believes that at 95 buses, CyRide is at a tipping point that requires movement forward on expansion shortly.

President Haila agreed that he would need additional information to make a decision on the best expansion location stating it would be helpful to have information about repayment of the FTA share. Director Kyras indicated that CyRide would need a specific proposal for FTA to provide information regarding repayment and that a site and conceptual drawing indicating approximate square footage was needed first before those discussions could occur.

Trustee Gregory stated that she would like to see four options developed to the level that discussion with the FTA could occur – existing site with off-site parking, existing site with nearby second site (bus parking only), existing site with a farther away second site and an option to relocate the entire facility. Additionally, she stated that answers were needed regarding the impact of existing site options on the cooling towers and off-site employee parking shuttles.

Director Kyras shared her thoughts about the basic question that needed to be answered, which was whether board members were comfortable with expanding on a site where only the existing number of vehicles could be accommodated in the future. Trustee Gregory stated that for her, the answer to that question is a matter of money, as solutions can be found that cost more, but would be a better decision in the long run. Further, she shared her concerns with ultimately abandoning the CyRide 1 site with the thought that ISU would need to purchase the facility since it sits on ISU land. Specific sites were then discussed for potential second facility sites – Mortenson and State, Research Park, etc.

Trustee Schinker inquired about the possibility of employees walking from a parking lot at Brookside Park and whether this would allow for more bus-related activities at the CyRide 1 site. Director Kyras indicated that an employee shuttle would be needed that would operate from 5:30 am to 3 am on Friday and Saturday nights and would be an on-going operating cost. Mr. Schipper shared that removing the parking ramp would not allow for more bus parking. He indicated the next solution would be to stack bus storage, requiring a bus lift between levels.

Trustee Gregory asked what the facility impact would be if all its buses were electric. Director Kyras indicated that this had not been studied, but that most likely it would require additional space for one charging station per bus to be accommodated.

Trustee Valentino shared his concern that continued expansion at the CyRide 1 site was the "go to" site, but he was concerned if CyRide grew larger than anticipated, it could not support the operations at some point. Further, he acknowledged that more information would assist in making an informed decision.

President Haila shared his belief that the CyRide 1 site was too small for continued growth, but also was concerned about where funding could be secured to build at another site and potentially repay FTA at the current site.

Trustee Schainker also acknowledge that the CyRide 1 site had insufficient space for current and planned operations and asked if an inexpensive "bubble" type building could accommodate bus storage. Director Kyras indicated that once a decision to operate from a second site was made, staff and the board could determine the type of facility that could be built.

Brent Schipper shared his thought about a permanent second site, indicating that it would need to be at least 5 acres.

Trustee Schainker indicated that finding a satisfactory second site is the difficult part because Ames is running out of land within its city limits and that a 15 acre site is becoming scarce.

President Haila summarized board members thoughts, indicating that the board needed to provide staff with guidance on next steps. Director Kyras indicated that her understanding of the discussion was that the board desired to approve Alternative #3 to delay action and further that staff was to identify options and then complete an analysis, using criteria such as FTA repayment, operational cost, construction cost, etc. for each option and present this data to the board at a future meeting. Trustee Gregory agreed in approving Alternative #3, delaying action and further analyzing the four options discussed previously.

Trustee Bibiloni and Valentino encouraged staff to look at a scaled back version of the space needs at the existing site.

Transit board members shared additional information they would need to make a decision such as: city population, non-student ridership, potential number of CyRide buses in sections of Ames; operational costs of one site versus two sites; parking across University Blvd.; possible repayment to Federal Transit Administration; and fleet vehicle mix.

President Haila asked for further information on how a facility expansion could be funded and how CyRide could repay any federal share of CyRide 1. Director Kyras said that there are two grant opportunities: TIGER – minimum federal funding requirement



of \$10 million with a minimum \$12 million project and Bus and Bus Facility Program funding that fund smaller projects where CyRide could build a larger facility over time. Trustee Gregory asked if there were grants for electric buses. Director Kyras indicated that the federal No/Low Alternative Fueled Program funds electric buses at 85% and infrastructure/equipment needs to accommodate this technology at 90%.

Transit board members appreciated the facility information to-date, but agreed they needed additional data before they could move forward with the future facility expansion.

Trustee Gregory made a motion to approve Alternative #3 to delay action and request staff to provide information on four options: existing site with off-site parking, existing site with nearby second facility with bus parking only, existing site with a farther away second site and relocating CyRide to a different site. Trustee Bibiloni seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

**SYSTEM REDESIGN BUS STOP CHANGES:** Director Kyras shared information regarding staff's final analysis of the impact that the System Redesign will have on CyRide's 451 bus stops. She indicated that 17 new bus stops will need to be added with pads being poured, some with shelters, and that 89 bus stops will need to be removed or modified. The estimated cost to make these changes is \$44,340. She indicated that CyRide programmed \$50,000 in its capital budget for this work, with 80% of the cost paid for with federal formula dollars. She indicated that there is a lot of work to be completed over the summer and fall and that staff had developed a plan to place temporary signage at the stops in March 2018 with a service change date and alternate location to board the bus posted at the stops to be removed.

#### **TRANSIT DIRECTOR'S REPORT:**

##### Update From the HIRTA Meeting -

- HIRTA has a new service "HIRTA Now" that began on September 6th. Cost is \$5 per ride with no requirements for advance reservations, compared to \$2 required by ADA with advance reservations. This service is above and beyond what ADA requires and Dial-A-Ride customers will pay \$5 as well.
- Out-Of-Town Service was restored with service from Ames to Des Moines and Ames to Iowa City.
- HIRTA is working on two new software products. Both are for online reservations, with one for agencies and one for customers. The agency product is currently being tested and HIRTA anticipates testing the customer product at the end of the year; however, is seeking funding to implement this product. CyRide has agreed to use its federal ADA funding to assist with this purchase as Dial-A-Ride customers will benefit from this product as well. The CyRide's share of the cost is \$15,711.25 and will be added to HIRTA invoices over six months.

- An additional position has been added to their office staff, which will help clarify staff roles and will assist in problem solving.

President Haila asked if customers would have difficulties using the online reservation technology and Director Kyras said that she believes a significant number of Dial-A-Ride customers would use it.

- Director Kyras explained the issues that ISU's Alliance for Disabilities Awareness group had regarding Dial-A-Ride service and stated that they had been addressed/solutions identified with HIRTA - difficulty identifying ISU buildings and online reservations.
- Director Kyras indicated that discussions with HIRTA regarding Dial-A-Ride's ridership levels last year found that there was an unusual reduction in the number of customers signed up for the program and also HIRTA indicated that some heavy users were riding less. She indicated that they brainstormed about how to target market these services to individuals who would be eligible for the service. President Haila shared his concern with the reduction of Dial-A-Ride customers and asked how many new applications CyRide had received. Director Kyras did not have that information available at the meeting.

#### **North Grand Mall**

- Director Kyras told the transit board that she and Asst. Director of Operations, Barb Neal, met with one of the owners of North Grand Mall and the Mall Manager, and that they had a productive conversation regarding where CyRide could stop at the mall. She briefly explained the three locations that would be analyzed with assistance from ASK Studio and that the goal was to move locations at the same time as the System Redesign change in August 2018.

#### **November Board Meeting**

- Director Kyras shared with board members her thoughts on two major topics for discussion at the November 22<sup>nd</sup> meeting – non-student ridership and fare change proposal.

#### **Electric Bus Technology**

- Director Kyras shared that CyRide's Assistant Directors had attended the APTA EXPO and researched electric bus technology's progress. She indicated that their consensus was that the technology had progressed to the point where it could be considered a viable alternative-fueled option for CyRide's fleet. She also indicated that an ISU student was working on an honors project on this subject and would like to present his findings to board members. Further, she indicated that the leading electric bus manufacturer would have their electric bus at CyRide's facility the next day from 10:00 am until noon and that board members were invited.

President Haila and Trustees Bibiloni, Valentino, Gregory, and Nelson would like to have a meeting with the ISU graduate student.

Based on the conversation and interest in this technology, Director Kyras will continue developing information about an electric bus application at CyRide and a possible demonstration project, and bring more information to the board later this year.

**Set Meeting Times and Place:**

- November 22, 2017 – 7:30 A.M.
- December 7, 2017 – 8:00 A.M.

**ADJOURN:** Meeting adjourned at 10:04 A.M.

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** November 22, 2017

**SUBJECT:** Bus Shelter Purchase

**BACKGROUND:** CyRide has forty-one bus shelters comprised of two styles – older style constructed in the 1980’s and a new style CyRide began using in 2012. This new style is a custom-designed shelter that was developed through a collaborative effort by CyRide and ISU. A committee comprised of ISU’s Architect, Program Manager with Facilities Planning & Management and University Relations staff, along with CyRide operations, maintenance and administrative employees developed the new design. CyRide currently has six of the new style shelters, which are manufactured in three sizes, depending upon rider demand at a specific bus stop location.



1980's shelter

CyRide was unable to implement its 2017 bus stop improvement plan due to new federal regulations for bus stops that require drawings for each site, as well as historical and environmental analysis. This new requirement and approval of each site by the Federal Transit Administration delayed any improvements past the time that weather permitted for construction. Therefore, these improvements will be completed over the spring/summer/fall of 2018. Additionally, CyRide has developed its 2018 bus stop improvement plan, which will be completed over this same time period; combining two year’s activity into one construction period.



New 2012 shelter

**INFORMATION:** CyRide’s 2018-2019 shelter program cites locations for three additional new shelters that would be funded at an 80% local match from the federal 5310 program. As these shelters are custom made by Columbia Equipment Company, a single source bid is required for their purchase. The estimated cost of these shelters is \$21,457 per shelter. The total amount for three shelters is \$64,371.

The information listed below identifies the sites where these new shelters would be located, which coincide with reconstruction of Bissel Rd. and Union Dr. and will support the CyRide 2.0 service changes next year:

- Large, new shelter at Howe Hall (Stop #1092)
- Large, new shelter at Sweeney Hall (Stop #1122)
- Large, new shelter at Upper Friley (Stop #1210)

The 1980's shelters, that are in good condition, will not be discarded, but relocated, as the need is identified, to new bus stops that do not currently have shelters so that CyRide's bus shelter program can be expanded. Better bus stop amenities were one of the highest customer requests in the System Redesign survey.

The City of Ames Purchasing Department has reviewed the single source bid request and has approved this type of purchase for the custom shelters. Likewise, the Federal Transit Administration allows sole source procurements for products that can only be purchased from one source.

The 2018-2023 Capital Improvements Plan will include this project with an estimate of \$50,000 in the 2018-2019 budget year for bus shelter improvements. Additionally, CyRide has carryover funds from the 2017-2018 bus stop improvements line item to support this purchase. CyRide also has over a \$600,000 balance in the federal 5310 program funding Dial-A-Ride and shelters, which will fund 80% of the shelter's purchase price.

**ALTERNATIVES:**

1. Approve a single source procurement to Columbia Equipment Company, Inc. of Freeport, NY in the amount of \$64,371 for the purchase of three bus shelters.
2. Do not approve the single source bid and direct staff to purchase stock bus shelters.

**RECOMMENDATION:**

The Transit Director recommends approval of Alternative #1 for a single source procurement to Columbia Equipment Company. Purchase of these shelters will: improve the comfort in using CyRide services, maintain a consistent CyRide image and reduce the federal 5310 fund balance as requested by the Iowa Department of Transportation.

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** November 22, 2017

**SUBJECT:** Calendar Year 2018 Fuel Bids

**BACKGROUND:** CyRide purchases fuel on a calendar year basis. Over the past three years, CyRide's Board of Trustees, upon staff's recommendation, has chosen to purchase fuel at market rates from a single vendor, as opposed to fuel contracting (locking into a pre-determined rate). CyRide purchased fuel under contracts from 2009 - 2014. Significantly lower fuel prices over the last several years have led to the belief that CyRide can secure better fuel prices by not locking into a pre-determined rate. CyRide's current single vendor contract with Keck Energy expires on December 31, 2017.

CyRide will need to determine how it will purchase fuel for calendar year 2018, including which vendor is the lowest bidder and establishing a maximum fuel cost.

**INFORMATION:** With continued lower fuel prices averaging \$1.78 per gallon year-to-date, but increasing with most recent deliveries at \$1.92 per gallon, as compared to the budgeted amount of \$2.50 per gallon, CyRide staff believes that the current fuel strategy is the most advantageous method. This methodology is briefly described below for implementation in 2018:

**Contract, Lock In Vendor (Fixed-Rate + Markup/Deduct)** - CyRide staff prepared a bid in November for an estimated amount of fuel/biodiesel/additive for calendar year 2018. Based on this estimate, bidders estimated the cost of delivering fuel; however, fuel would be purchased at the market rate, at the time of purchase. This delivery cost is called a "fixed rate + mark-up/deduct." **This methodology allows CyRide to order fuel throughout the year for a preset delivery price, above or under the market rate, and lock into a vendor.**

The advantage of purchasing fuel as described above is that CyRide and City Purchasing staff complete only one fuel bid for the year, instead of a new bid approximately every 7 days; thereby lowering administrative costs to complete this procurement. This process was used to purchase fuel for calendar year 2015, 2016, 2017 and prior to 2009. In preparation for the end

of the current contract, CyRide staff, in November 2017, completed a Request for Bid for the purchase of fuel during calendar year 2018, based upon the following assumptions:

- **Budgeted Price for 420,000 Gallons of Fuel –**  
January – June 2018 210,000 gallons x \$2.50 (2017-2018 budgeted price) = \$525,000  
July – December 2018 210,000 gallons x \$2.75 (2018-2019 budgeted price) = \$577,500  
**TOTAL ESTIMATED COST** **\$1,102,500**

Keck Energy's bid is the overall lowest cost bid with their pricing being the lowest cost in each fuel category. The bid summary is attached.

Staff is seeking approval of the lowest vendor bid with a not-to-exceed price for the calendar year based on the budgeted cost for fuel.

**ALTERNATIVES:**

1. Approve award to Keck Energy as the overall lowest bidder for CyRide fuel for calendar year 2018 and establish the maximum cost of its fuel purchases for the year of up to the budgeted amount of \$1,102,500.
2. Do not accept bids and request staff to rebid its fuel purchases for calendar year 2018.
3. Do not accept bids and request staff to contract for fuel purchases for calendar year 2018, locking into pre-determined prices for the year.
4. Do not accept bids and purchase fuel at the market rate approximately every 7 days.

**RECOMMENDATION:**

The Transit Director recommends approval of Alternative #1 to purchase fuel from Keck Energy during calendar year 2018, which allows for a single procurement of fuel for the year. This bid reflects the lowest price to purchase from a single vendor for CyRide's fuel purchases and will reduce the administrative burden by eliminating the need to complete the fuel purchase process up to every seven days during the year.

<b>CITY OF AMES, IOWA</b>				
Ph: 515-239-5125 * Fax: 515-239-5325 Mike Adair, Procurement Specialist II				
<b>Bid No. 2018-059</b>				
<b>Ames Transit Agency 2017 Fuel Purchases</b>	<b>Supply of #1 Dyed ULSD Diesel</b>	<b>Supply of #2 Dyed ULSD Diesel</b>	<b>Biodiesel</b>	<b>Magellan's Cold Flow Improver</b>
<b>1/1/18 through 12/31/18</b>				
<b>BIDDERS</b>				
Keck Energy	-\$0.033	-\$0.018	-\$1.16	\$0.012
Petroleum Traders Corp.	-\$0.0126	\$0.0149	-\$1.0500	\$0.0250
New Century FS	\$0.005	\$0.020	-\$0.200	\$0.018
REG Energy Services, LLC	\$0.0545	\$0.020	-\$0.800	\$0.0085



**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees

**FROM:** Sheri Kyras

**DATE:** November 22, 2017

**SUBJECT:** Fare Change Analysis/Proposal

**BACKGROUND:** The fare structure charged customers has a direct impact on ridership; therefore, staff has developed a report to determine if a modification in CyRide's current fare structure could positively impact customer's choices to use CyRide's new System Redesign services. A positive fare change could maintain or increase the number of rides provided in light of the extensive service modifications planned for May and August 2018. CyRide has had six different fare systems in its 41 year history, as described below using the base cash fare for comparison:

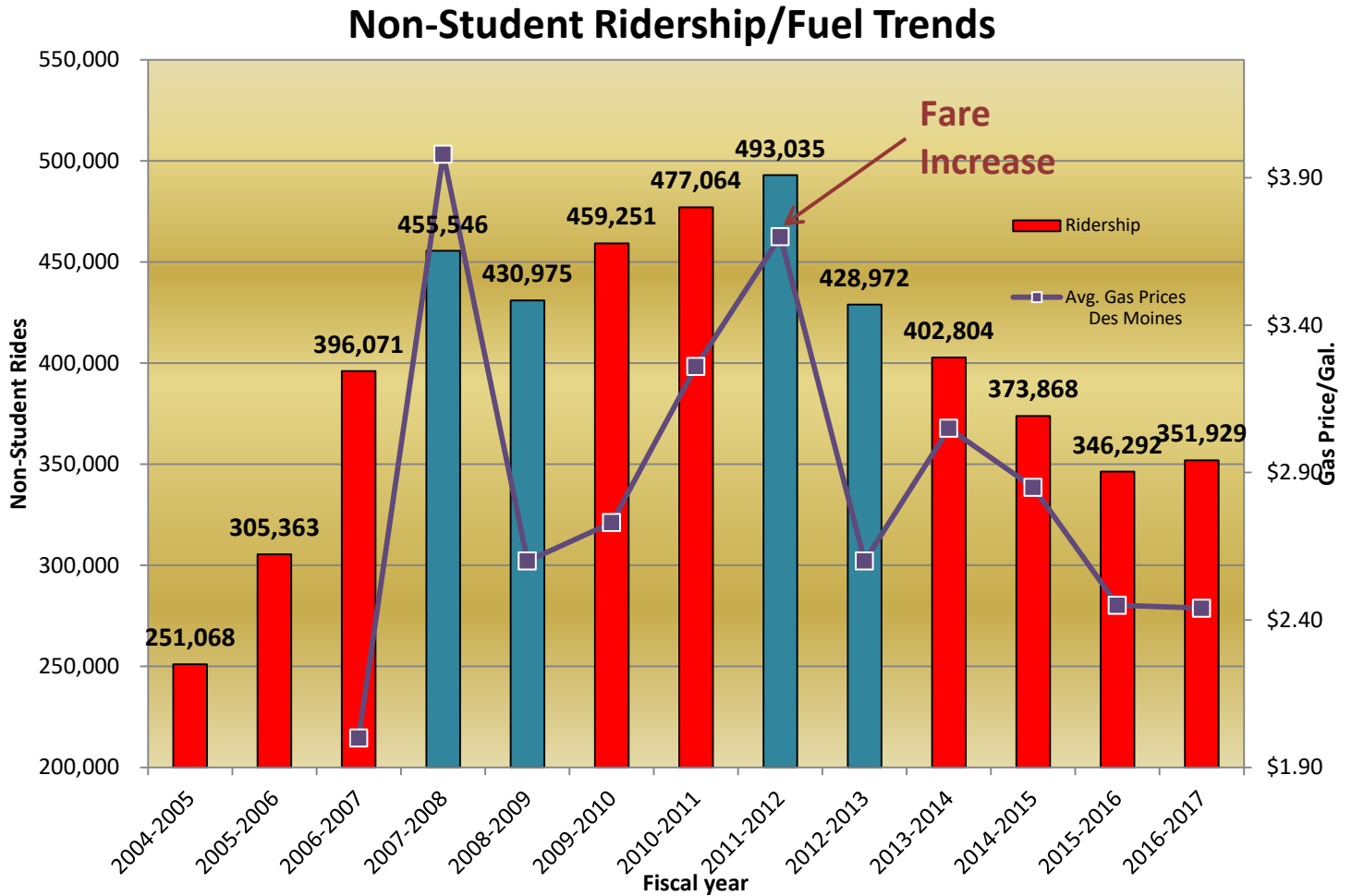
- **1976** - 50¢
- **1985** - 60¢
- **1993** - 90¢
- **1994** - 75¢ (Decreased due to lower revenues)
- **2004** - \$1.00
- **2012** - \$1.25

The most recent fare change was a fare increase approved in October 2012 and implemented with the 2012-2013 budget year, where the base fare was increased from \$1.00 to \$1.25. Significant and rapid fuel prices occurred in 2011 that precipitated adjustment to the fare structure. The attached fare structures reflect the current and previous fixed route rate structures. Dial-A-Ride fares were unchanged.

**INFORMATION:** This report will begin with CyRide's trend in non-student ridership to gain an understanding in how CyRide's ridership has been impacted by its fare structure. Next, a cost analysis will be discussed indicating current and previous trends in this revenue source and a prediction on its impact if CyRide were to return to the previous fare structure where the base cash fare was \$1.00.

## Non-Student Ridership Trend

The chart below illustrates CyRide’s non-student ridership trend (farebox paying customers) over the last thirteen years.



In addition to non-student ridership, the chart above includes a comparison to fuel prices based on each year’s fall gas prices for the average rate charged in Des Moines. The price of fuel is one of the transit industry’s major influences on ridership in addition to the fare charged. In times when gas prices increase, CyRide’s ridership tends to rise as well. When gas prices are more reasonably priced and customers can afford to drive more, CyRide ridership is lower.

When combining these two major factors, the effect of gas prices and a fare increase, as happened in 2011- 2012, a more dramatic impact can and did occur. In the thirteen year history provided, there are two periods when there were high gas prices one year and significantly lower prices the following year: 2007-2008 to 2008-2009 and 2011-2012 to 2012-2013. This first period experienced a -5.4% reduction in ridership; whereas, the second period experienced an -8.7% decrease, when combined with the fare increase. In addition, when gas prices increased the following year in 2013-2014, CyRide’s ridership continued to drop instead

of increasing, which would have been the typical reaction. In summary, staff believes that CyRide’s 2011-2012 fare increase had a magnifying impact on non-student ridership’s fluctuating annual rides.

**Cost Analysis**

To determine the financial impact on CyRide to “rollback” fares to the previous fare structure, the first step is to analyze farebox revenues in the recent past and then to determine how a fare reduction could impact the number of rides provided and ultimately the fares generated in the future. This section will review each of these analyses.

**Historical**

The chart below illustrates the revenues generated over the past ten years from cash, ticket and pass sales.

<b>Fare Type</b>	<b>Cash</b>	<b>Ticket</b>	<b>Passes</b>	<b>Total Rev.</b>
<b>2007-2008</b>	\$123,654	\$34,517	\$135,272	\$293,443
<b>2008-2009</b>	\$113,552	\$28,007	\$134,693	\$276,252
<b>2009-2010</b>	\$121,902	\$30,370	\$165,319	\$317,591
<b>2010-2011</b>	\$132,890	\$31,096	\$151,733	\$315,719
<b>2011-2012</b>	\$148,249	\$38,402	\$163,139	\$349,790
<b>2012-2013</b>	\$138,347	\$39,660	\$159,628	\$337,635
<b>2013-2014</b>	\$133,607	\$36,747	\$152,631	\$322,985
<b>2014-2015</b>	\$110,957	\$46,171	\$151,261	\$308,389
<b>2015-2016</b>	\$104,328	\$44,678	\$138,107	\$287,113
<b>2016-2017</b>	\$105,697	\$36,037	\$128,858	\$270,592

Additionally, CyRide’s current revenues year-to-date are lower (-4.4%) for the July to October time period. In reviewing the different fare types, there is no single fare that has created this lower revenue.

**Future Predictions**

**Ridership** - The transit industry has studied fare change impacts with varying degrees of success in predicting rider behavior. However, general rules of thumb are as follows:

- Smaller cities have higher price elasticities (price sensitivity)
- If the fare is perceived as being high, further increases will create higher price elasticities
- Each 3% increase in the fare will decrease ridership by 1%

- Fare increases create higher negative impacts on ridership than fare decreases positively impact ridership (i.e. higher fares might create a 10% decrease; where a fare reduction only increases ridership 5%)
- First years after a price increase have the largest decrease and then the impact tapers off – customers are lost in the first year and do not return

Applying these industry findings to CyRide’s last fare increase in 2012-2013, CyRide experienced the “typical” impact after the fare increase, which generated a decline of approximately 8% (25% increase/3%). **Therefore, if CyRide returned to its previous fare structure, it could anticipate a smaller ridership increase, not returning to previous levels, but improving ridership.** Staff determined a reasonable assumption for the ridership impact of a fare decrease, by rolling back fares to the previous fare structure, would be half of the impact it experienced when CyRide increased its fares in 2012 –resulting in a general 4% ridership increase, as opposed to an 8% decrease. This increase was then applied to the fare types as follows:

- **Cash and Tickets** – 4% increase in fares (each ride generates additional revenue)
- **Passes** – 2% increase in fares (with unlimited rides and the higher one-time cost to purchase this fare media, it was determined that it would have less of an impact)

Using these projections, ridership is expected to increase from its current level of approximately 350,000 rides per year to approximately 360,000 rides (2.9% increase).

These assumptions were then applied to the last 12 months farebox revenue as follows:

Revenue Type	Current	Predicted
Cash	\$105,697	\$87,939
Tickets	\$36,037	\$31,231
Passes	\$128,858	\$106,461
<b>Total</b>	<b>\$270,592</b>	<b>\$225,631</b>

**In summary, CyRide staff believes that rolling back fares to the \$1 fare structure would cause an approximately \$45,000 decrease in farebox revenue and an increase of 2.9% in its non-student ridership.** Staff believes this is the “worst case” scenario and is optimistic that there will be a lower financial impact due to the additional rides provided, with a more significant ridership increase.

Besides the financial and ridership projections, there are also additional, positive benefits of this fare rollback as follows:

- **Positive System Redesign Impact** - Combining this change with the System Redesign next year, which could have a significant impact on CyRide’s customer travel patterns,

will provide an incentive for riders to try the new service. Similar fare-service change combinations have typically mitigated negative ridership impacts within other systems in the transit industry.

- **Customer Convenience** - Rolling back the cash fare to a single \$1 bill, as opposed to customers needing to have a dollar and a quarter when they board the bus, will be seen as a more convenient fare.
- **Mitigate Cost Impact for Customers** - Pass prices under CyRide's current fare structure are difficult for customers to come up with at one time (up to \$320 for a school year pass). The new prices are more within the reach of many customers as a one-time outlay.
- **Reduce Staff Time** - The sorting/counting of money every two weeks by staff to prepare the banks' cash deposit will be simplified and require less time to accomplish. The sorting of dollars bills from coins is labor intensive and with significantly fewer coins, this change will allow staff to spend more time on other tasks.

#### **ALTERNATIVES:**

1. Direct staff to include the revenue loss from the fare "rollback" option (\$1.00 fare structure) in the 2018-2019 budget options for discussion in December 2017.
2. Do not include a fare "rollback" option as part of the 2018-2019 budget considerations.

#### **RECOMMENDATION:**

The Transit Director recommends approval of Alternative #1 to include a fare "rollback" option in the 2018-2019 budget options for consideration by the Transit Board of Trustees. Staff believes that including a fare incentive, along with significant service changes, will provide greater customer satisfaction at a time when current travel patterns will be impacted. Inclusion of this option will allow board members to weigh the advantages of this change along with other budget requirements to determine if it is feasible.

## CyRide's Fixed Route Fare Structure Comparison

Fare Category	Current Fare Structure (2012 - Present)	Previous Fare Structure (2004 - 2011)
<b>Fixed Route Service</b>		
Full Fare Cash	\$1.25	\$1.00
Reduced Fare Cash - K-12, Elderly and Medicare/Medicaid Card	\$0.60	\$0.50
ISU Students with ISU Card	Free	Free
10-Ride Reduced Fare Ticket Book	\$6.00	\$5.00
10-Ride Regular Fare Ticket Book	\$12.00	\$10.00
Regular Monthly Pass	\$40.00	\$35.00
Reduced Fare Monthly Pass	\$20.00	Not Offered
Reduced Fare Summer Semester Pass	\$50.00	\$40.00
Winter Regular Fare Pass	\$150.00	\$120.00
Winter Reduce Fare Pass	\$75.00	\$60.00
Regular Fare Semester Pass (Fall/Spring)	\$160.00	\$130.00
Reduced Fare Semester Pass (Fall/Spring)	\$80.00	\$65.00
Regular Fare School Year Pass	\$320.00	\$260.00
Reduced Fare School Year Pass	\$160.00	\$130.00
Regular Fare Summer Pass	\$100.00	\$80.00
Reduced Fare Summer Pass	\$50.00	\$40.00
Children Under 6	Free	Free
Attendant Accompanying ADA-Eligible Person	Free	Free
Person Accompanying ADA-Eligible Person	\$2.00	\$2.00
Replacement of Lost or Stolen Pass	\$10.00	\$10.00

**CITY OF AMES, Iowa**

**MEMO TO:** Ames Transit Board of Trustees  
**FROM:** Sheri Kyras  
**DATE:** November 22, 2017  
**SUBJECT:** 2018-2019 Budget Options Discussion

**BACKGROUND:** Each year, as part of the budget, CyRide staff develops a baseline budget (current service/staffing levels at next year's cost), as well as service proposals and staffing recommendations for possible inclusion in the next year's budget. These budget options are presented to board members, prior to the Transit Board's December meeting, which is this group's first opportunity to review the following year's budget. Board members are able to determine which of the budget options should be further developed and included in an "a la cart" menu for possible addition to the baseline budget.

CyRide's intergovernmental agreement requires the Transit Board of Trustees to approve the next fiscal year's budget no later than January 21<sup>st</sup> of each year. Therefore, the board will need to approve the 2018-2019 budget no later than January 21, 2018.

**INFORMATION:** Staff has developed two, additional proposals for consideration in the 2018-2019 budget – one service proposal, one staff change and one hiring/retention proposal. Each is briefly described below.

**Service Proposal**

With the board's adoption of the System Redesign service changes last spring and the elimination of the Silver route at the October board meeting, almost all decisions regarding services to be offered in the 2018-2019 fiscal year have been addressed; however, one last proposal is offered for board consideration in the budget as detailed below.

**#1 - Additional Hours of Service 2016-2017: Priority #1**

Typically, CyRide requests inclusion in each budget of 5 – 10 hours of additional service each weekday to address unknown impacts on service the following year, such as overcrowding on a route or bus stop where customers can not board the bus or significant ridership increases in the evening due to more night classes being offered. This year, with approximately 80% of CyRide's service changing, staff believes that an additional 10 hours of service per weekday will be needed next year to ensure a quality service and address

issues that occur as a result of this significant service change. There will be no ability to change service indicated in the schedule for one year, so these 10 additional hours are critical to address unforeseen issues that occur for CyRide’s customers, which can be addressed with modified schedules the following year. Service will only be added if it is needed and if not needed, will increase the closing balance at the end of the year.

A priority ranking #1 was given to this service proposal, based on the service-level ranking adopted by the Transit Board in November 2014 as follows:

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

**Estimated Annual Cost: \$104,500**

**#2 - Part-Time Information Services Position**

Over the years, CyRide has added technology to its buses, facilities and customer services. Services that are shared with other City of Ames Departments are supported by the City’s Information Technology Department; however, software/hardware that is specific to CyRide only is not directly supported, requiring CyRide staff to become technical experts using existing transit staff. CyRide has been fortunate that it has a Dispatcher that has an educational background in computer technology, in that the transit system has utilized this individual’s skill set to assist in research, deployment, daily use of the technology and trouble-shooting; however, this takes his time away from the daily operations of the system. The list below details the software/hardware supported by the city and the CyRide-specific technology not supported by the city.

City Supported	City Not Supported
Microsoft Office Package	NextBus
Telephone System	Google Transit
CyRide Server	CyRide Intranet
WiFi Service	Bus Camera (3 different systems)
Computer Purchases/Configuration/Installation	Digital Advertising Signs
	Radio System
	Open Runs Board System
	Automatic Passenger Counters
	Maintenance Bus Tracking Program
	Dispatch Monitoring Screens
	Website “Today’s Routes”
	Shop/Dispatch Laptop Toughbooks



In addition, there are a number of technology projects in process or have been requested that have not been able to be included in staff's available time, for which a dedicated IT professional could begin to address, such as:

- New radio system to coordinate with City of Ames/Emergency Services
- Expiration of NextBus 5-yr. contract for vehicle location technology
- Deployment of digital advertisement signage
- Desire for Automated Annunciators for the Disabled community
- Coordination with ISU's Engineering Department on the ISU app for students that has not always displayed accurate information

It is staff's opinion that CyRide's technology has grown to the point where a part-time, in-house expert is needed to ensure quality operation of these systems and to move CyRide forward in this area.

***Estimated Annual Cost: \$40,000***

**ALTERNATIVES:**

1. Direct staff to include both proposals (#1 and #2) as budget options for the 2018-2019 budget for consideration at the December 7, 2017 meeting.
2. Direct staff to include board-defined options in the 2018-2019 budget for consideration at the December 7, 2017 meeting.
3. Do not include any proposals in the 2018-2019 budget for consideration at the December 7, 2017 meeting.

**RECOMMENDATION:**

The Transit Director recommends approval of Alternative #1 to include both proposals for consideration in next year's budget. Each of the proposals addresses a critical need to ensure smooth operation of CyRide's service over the next year and is a valuable option to consider for inclusion in the 2018-2019 budget.

# Transit Director's Report

November 2017

## 1. Triennial Review Close Out

CyRide staff addressed the two Triennial Review findings by creating an agreement with the AAMPO and a detailed operating contractor process outline regarding their Drug and Alcohol Program. Specifically, the AAMPO agreement delineates the AAMPO-CyRide responsibilities and timelines for various planning responsibilities between the two organizations; while the Contractor documentation outlines the steps that CyRide-Contractor must take to comply with federal drug and alcohol regulations. Both were approved by the Federal Transit Administration in October.

## 2. Facility Discussion Assumptions/Approach

CyRide staff has developed the attached outline/chart delineating assumptions, criteria and options, upon which staff propose to develop information regarding CyRide's facility expansion to accommodate a bus fleet of 125 vehicles. It is envisioned that this information would provide board members with the information required to determine the best direction for expansion of the facility in the future. Staff would work to develop the best estimates it can around this basic format and present its findings at the January or February 2018 meeting.

Direction from board members regarding this approach would help guide this project moving forward as CyRide has two opportunities for grant applications in the summer of 2018 and would need the board's consensus on a location, design and budget by May 2018 in order to submit grant applications for federal funding support. If this timeframe is not feasible, it would be one additional year before another grant opportunity was available.

## 3. 2018-2019 Budget Fuel Price Per Gallon

In light of board discussion last year regarding the appropriate price per gallon to budget for the following year, staff is seeking board direction prior to presentation of the budget at the December 7, 2018 Board of Trustee meeting. Staff's recommendation is to increase the price to \$2.75 per gallon from its current, budgeted price of \$2.50 per gallon, as prices are currently trending higher and are currently higher than one year ago. Board direction on this item will allow staff to present a budget in line with board expectations.

## 4. System Redesign Public Meeting

CyRide will hold a public meeting regarding the System Redesign on November 16, 2017. Public comments from this meeting will be summarized and presented at the meeting.

# Facility Analysis Preliminary Assumptions/Criteria

## Four Options:

### **Option #1 – Meeting Current Needs (95 Bus Fleet)**

- Existing Site
- Employee parking at Brookside (153 spaces)

### **Option #2 – Permanent Two Locations Near CyRide 1 (125 Bus Fleet)**

- Existing Site
  - 70 large buses, 2 maint. trucks, 8 small buses
- Second site within ½ mile of existing site
  - Bus storage for 37 large buses, 10 artic. buses
  - Second fuel lane
  - Employee parking for 50
  - 3 offices (maint. and operations) plus a dispatch office
  - 2 light-duty maintenance bays
  - Maint. Storage

### **Option #3 – Permanent Two Locations Further From CyRide 1 (125 Bus Fleet)**

- Existing Site
  - 72 large buses, 2 maint. trucks, 8 small buses
  - Remove 2 maint. bays, turn into bus parking
- Second site more than ½ mile of existing site
  - Bus storage for 37 large buses, 10 artic. buses
  - Second fuel lane
  - Employee parking for 50
  - 5 offices (maint. and operations) plus a dispatch office
  - Training room
  - 2 light-duty, 2 heavy-duty maintenance bays
  - Maint. Storage
  - Maint. Parts room

### **Option #4 – Satellite Location Consolidates CyRide into One Facility in Future (125 Bus Fleet)**

- Existing Site
  - 70 large buses, 2 maint. trucks, 8 small buses
- Second Site – Phase 1
  - Bus storage for 37 large buses, 10 artic. buses
  - Second fuel lane
  - Employee parking for 50

- 3 offices (maint. and operations) plus a dispatch office
- Training room
- 2 light-duty
- Maint. Storage
- Second Site – Phase 2+
  - X Maint. bays
  - Paint Booth
  - Body Bay
  - Parts Storage
  - Farebox Room

**Criteria:**

- Land Cost (private – cost per acre for industrial)
- Construction Cost (per Brent)
- Operating Cost
  - Staff costs (Add'l staff to operate divisions within CyRide)
  - Shuttle costs ( 5:30 am to 1:00 am M-TH, 7 am to 3 am F-S, 7 am to 12 am SUN)
  - Additional Deadhead cost (new # of deadhead miles – current x operating cost/mile)
  - Maint. cost to travel between two buildings
- Additional Acres Needed
- FTA Payback Cost – (per discussions with FTA on options)
- % of Space Needs Accommodated (based on sq. ft.)

**20-yr. Assumptions:**

- ISU enrollment – 40,000 (170 rides/student) = 6.8 million rides
- City population – 90,000 (2% growth for 20 yrs.) – 6.5 rides/capita ((350,000 x 20%) rides/65,000 pop.) = 585,000 rides
- CyRide annual ridership – 6.5 – 7.5 million - 6,800,000 + 585,000 = 7,385,000
- Fleet mix (diesel/electric) – 85% diesel, 15% electric (19 new buses in 20 yrs.)
- Fleet size – 6,700,000/95 buses = 70,526 riders per bus, 7,500,000/70,526 = 106 buses x 18% “fudge” factor – 125 buses
- Development – No major changes from current (mix of near and far from campus housing)
- ISU Student Housing Philosophy – 1/3 ISU housing, 2/3 private housing

## CyRide Facility Expansion Comparison of Options

Criteria/Options	<b>Option 1</b> Current Needs (95 Buses)	<b>Option 2</b> Permanent Two Locations Near CyRide 1 (125 Buses)	<b>Option 3</b> Permanent Two Locations Further from CyRide 1 (125 Buses)	<b>Option 4</b> Satellite Location Consolidates CyRide into One Facility in Future (125 Buses)
Land Cost				
Construction Cost				
Operating Cost				
FTA Payback Cost				
Additional Acres Needed				
% Space Need Accommodated				

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
<b>December</b>					<b>1</b>	<b>2</b>
<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b> Transit Board Meeting – 8:00am	<b>8</b>	<b>9</b>
<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>
<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>
<b>24</b>	<b>25</b>	<b>26</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>
<b>31</b>	<b>2018</b> Jan. 16 @ 7:30am				<b>2017</b>	