

AMES TRANSIT AGENCY BOARD OF TRUSTEES
CYRIDE CONFERENCE ROOM

January 16, 2018

1. CALL TO ORDER: 3:00 P.M.
2. Approval of December 12, 2017 Minutes
3. Public Comments
4. Transit Board of Trustees Election
5. Drug & Alcohol Policy Change
6. CyRide's Concrete Replacement Project Closeout
7. 2016-2017 Closing Balance
8. Five Year Capital Improvement Plan
9. 2018-2019 Operating Budget
10. Transit Director's Report
11. Set Spring Semester Meeting Dates/Times:
 - February 14, 2018, 8:00 AM
 - March 20, 2018, 8:00 AM
 - April 24, 2018, 8:00 AM
 - May 24, 2018, 8:00 AM
12. Adjourn

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: January 16, 2018
SUBJECT: Transit Board of Trustees Election

INFORMATION: In May or June of each year, the Transit Board of Trustees typically elects a new Board President and Vice-President as required by the Ames Municipal Code, Chapter 26A, as well as an Ames Area Metropolitan Planning Organization (AAMPO) representative. Recently, the current Board President, John Haila, was elected as the City of Ames Mayor and resigned from his position on the Transit Board leaving this position vacant. Also, the board's AAMPO representative is no longer a member of the Transit Board, so a new representative must be selected to represent the interests of CyRide on this regional board.

Trustee Valentino has indicated an interest in being the Transit Board's new President; Trustee Bibiloni has indicated an interest in being the Transit Board's Vice-President, if Trustee Valentino is elected President. Staff did not receive board member interest in the AAMPO position; however, a representative is needed to represent CyRide's interests.

Additionally, nominations may be taken from the floor for these three positions.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: January 16, 2018

SUBJECT: Drug & Alcohol Policy Change

BACKGROUND: CyRide’s Transit Board of Trustees last approved revisions to its Federal Transit Administration (FTA)-required Drug and Alcohol Policy on February 28, 2017, modifying the policy to reflect recommendations from a federal compliance reviewer’s evaluation of the policy.

Since that time, the FTA has released new Drug and Alcohol policy changes, which require, beginning January 1, 2018, the addition of four synthetic drugs to the list of substances for which CyRide must test its safety-sensitive employees (employees that drive, supervise or maintain its vehicles). CyRide has included these new drugs in its testing program since that date, but also must modify its policy to recognize this change. As a result, CyRide staff has modified its policy to reflect the addition of these new drugs to its required testing protocol, as well as made minor revisions to reflect current practices in its Drug & Alcohol program.

INFORMATION: The modification of CyRide’s policy to reflect the four new drugs and updates to the text language to reflect current practices requires changes in several locations throughout CyRide’s attached, Drug and Alcohol policy (changes noted in red) and summarize below.

- **Page 1** – Federal regulation clarification and update of safety-sensitive titles modified last year
- **Page 4** – Inclusion of four new drugs and modifications recommended by Triennial Review to the “Refusal to Test” section
- **Page 5** – Language modifications to add new drugs added by FTA
- **Page 7** – Clarification of the random testing protocol; Language modifications to add new drugs added by FTA
- **Page 8** – Language modifications to include new drugs added by FTA; Additional language on Medical Review Officer procedures
- **Page 11** – New Transit Board adoption date

Each transit agency receiving federal funds must make policy changes to add the four new drugs to its policy to remain in compliance with federal regulations.

ALTERNATIVES:

1. Approve the revisions to CyRide's Drug and Alcohol Testing Policy regarding the addition of four synthetic drugs to its testing protocol and updated language.
2. Do not approve the revisions to CyRide's Drug and Alcohol Testing Policy.

RECOMMENDATION:

The Transit Director recommends approval of the Drug and Alcohol Testing Policy changes. These modifications to the existing policy will allow CyRide to be in compliance with federal regulations and to be eligible to continue receiving federal funding.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: January 16, 2018
SUBJECT: CyRide's Concrete Replacement Project Closeout

BACKGROUND: CyRide included concrete replacement for portions of its parking lot in its 2016-2017 Capital Improvement Plan. The budget for this project was \$90,000.

INFORMATION: CyRide's Concrete Paving Renovations 2017 Project (Bid No. 2017- 123) was released on March 7, 2017. Bid plans and specifications called for the replacement of concrete on the east side of the facility, which was in a deteriorated, crumbling condition. JAS Construction LLC of Altoona, Iowa submitted the low base bid plus alternate of \$62,891 and alternate for a new light at the east entrance to CyRide's parking lot. Project closeout was delayed due to the backorder of the parking lot light. All work under the bid/contract has been completed to the satisfaction of CyRide staff and the A& E consultant.

The following information details the original contract information, payment, remaining balance and retainage amounts.

Original Contract Base Bid Sum	\$58,491
Add Alternate Number 1 (New Parking Lot Light)	\$ 4,400
Total Contract Sum	\$62,891
Payment Made To-Date	\$58,491
Unpaid Balance – Retainage (Parking Lot Light)	\$ 4,400

All but the parking lot light alternate amount (greater than 5% retainage) has been paid to-date. As of January 5, 2018, all conditions of the contract were met by JAS Construction LLC. Therefore, with completion of the project, the project is ready for close out. Close out requirements, and the status of each for the concrete project, are described as follows:

- **Punch-List Items** – All items contained in the contract have been completed to the architect's satisfaction.
- **Operating and Maintenance Manuals** – CyRide has received all manuals required to maintain the concrete/light and for repairs, as well as warranty information.

- **As Built Drawings** – CyRide has received all drawings, as it was actually constructed/installed, as opposed to the original drawings.
- **Lien Waivers** – JAS Construction LLC has submitted all lien waivers as required.
- **Final Pay Application** –CyRide has received an invoice for the balance of \$4,400.

ALTERNATIVES:

1. Accept final completion and approve the release of retainage/final contract amount of \$4,400 to JAS Construction LLC, Altoona, IA for the completion of CyRide’s Paving Renovations 2017 Project.
2. Do not accept final completion and release of retainage to JAS Construction LLC and direct staff to address board concerns.

RECOMMENDATION:

The Transit Director recommends approval of Alternative #1, accepting CyRide’s Concrete Replacement project as complete and releasing the retainage amount of \$4,400 to JAS Construction LLC. All conditions of the project contract have been completed and CyRide staff is satisfied with the completed work.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: January 16, 2018

SUBJECT: 2016-2017 Closing Balance

BACKGROUND: At the March 29, 2016 Transit Board of Trustees meeting, board members approved establishing an operating closing balance goal between 7.5% and 10% of expenses, of providing board members with options to raise revenue/lower expenses when fund levels are below the minimum and to present information to board members if the balance exceeds 10%.

Subsequently, at the September 20, 2017 Transit Board meeting, members were notified that a change in CyRide's current accounting procedures would be needed. Current practices placed federal funding in the year it was received. The new practices required that CyRide accrue federal funds back to the federal budget year it was allocated. As federal funding typically is not received until after CyRide's budget year is completed, this means that CyRide will need to hold a larger closing balance so that it has an adequate cash flow for the year until the federal funds are received after the year is completed. The result is that the Transit Board directed staff to increase its operating closing balance requirement to include its federal allocation of approximately \$2,000,000.

The result of these two actions allows the Transit Board to consider committing funds in excess of these two requirements (federal dollars needed for cash flow and 7.5-10% reserve for unexpected expenses in the next budget year) for operating or capital priorities.

INFORMATION: The following chart indicates the 2016-2017 ending, operating closing balance funds as reconciled with the City of Ames Finance Department after completion of its audit.

Activity	Dollars
2016-2017 Ending Closing Balance	\$3,595,434
Less: Federal Allocation needed for 2017-2018 Budget	\$2,000,000
Less: 10% Closing Balance Commitment by Board	\$1,049,201
Less: ICAAP Grant for Plum Route Repaid to the SG Trust Fund	\$84,397
Less: Board Commitment to Towers Construction Turnaround	\$207,500
Less: Board Commitment to Iowa DOT Grant for Buses (5)	\$102,520
Total Available to Reprogram	\$151,816

The total dollars available to reprogram is higher from previous board discussions (\$97,500) as the current balance is based on audited finances and the previous amount was estimated, pre-audit.

The board is being asked to make a policy decision on if/how to commit the remaining 2016-2017 ending, operating closing balance of \$151,816. If board members desire to commit these dollars, staff has identified several ways these funds could be utilized:

1. Placed in CyRide's Facility Expansion reserve fund.
2. Placed in an Affordable Care Act Expenses reserve fund.
3. Use to further other capital or operating projects (i.e. additional Annunciators or local match for a grant to purchase an electric bus)

ALTERNATIVES:

1. **Do not commit** CyRide's remaining uncommitted 2016-2017 ending closing balance amount of \$151,816 at this time.
2. Commit CyRide's remaining uncommitted 2016-2017 ending closing balance amount of **\$151,816 to potential future Affordable Care Act expenses.**
3. Commit a **board-determined amount** of CyRide's remaining uncommitted 2016-2017 ending closing balance **to potential future Affordable Care Act expenses.**
4. Commit CyRide's remaining uncommitted 2016-2017 ending closing balance amount of **\$151,816 to CyRide's Facility Expansion project.**
5. Commit CyRide's remaining uncommitted 2016-2017 ending closing balance amount of **\$151,816 to another board-determined priority.**

RECOMMENDATION:

The Transit Director recommends Alternative #1 in leaving the remaining 2016-2017 Closing Balance uncommitted at this time, as:

1. Possible ACA expenses are unknown at this time.
2. The Federal Transit Administration has not awarded Bus and Bus Facility funds to grantees and these funds (an additional \$102,500) may be available for reprogramming as well.

3. The facility needs project is not completed and the costs associated with expansion are unknown at this time.

Once ACA expenses are determined, staff could include this item on a future board meeting to determine how to best allocate these remaining uncommitted funds. CyRide staff would create a line item in its Budget Analysis spreadsheets (see attached highlighted in yellow) that identifies these funds as uncommitted, so that it is included separately and can be easily identified by board members.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees
FROM: Sheri Kyras
DATE: January 16, 2018
SUBJECT: Five Year Capital Improvement Plan

BACKGROUND: Each year, staff develops a five-year Capital Improvement Plan (CIP) to fund needed improvements in its bus fleet, facilities and support services. The plan approved by the Transit Board of Trustees is then incorporated into the City of Ames' Capital Improvement Program in January of each year.

No changes have been made since this document was presented to the Transit Board in December 2017. Further city interdepartmental discussions since the last meeting regarding the radio system will not require additional CyRide capital funds in 2018-2019 to pay for a portion of the City's new base radio system; however, there may be additional dollars for new radios/base station used by CyRide. Therefore, the original budget of \$80,000 in 2019-2020 should address possible future costs in this area.

INFORMATION: The projects contained in this year's Five-Year CIP represent purchases as a result of the following factors:

- Purchases approved in or anticipated in grants
- Replacement of equipment at the end of its useful life
- Purchases that are needed to ensure efficient and smooth operations

If approved, CyRide staff would begin to purchase the items contained in the first year of the plan beginning July 1, 2018. The remaining years would not be purchased until the year approaches and are subject to modifications as they are more fluid in nature due to annual funding increases/decreases. The following information details the CIP's first year purchases, as well as purchases for four additional years. A chart with the projects and cost for each of the five years is attached.

First Year Purchases –

The purchase summary below is recommended for procurement in the 2018-2019 budget year to ensure smooth operation of the transit system and is included in the baseline 2018-2019

budget, included as part of the next agenda topic. A detailed explanation of each anticipated expenditure, by category, is detailed after the chart.

Purchase	Other Share		Local Share	Total Cost
	Federal	State/GSB	CyRide	
Vehicle Replace.				
5-40' Used Buses	\$0	\$0	\$125,000	\$125,000
1-40' New Buses	\$408,000	\$0	\$102,000	\$510,000
Support Vehicle	\$0	\$0	\$30,000	\$30,000
Shop Truck	\$0	\$0	\$50,000	\$50,000
SUBTOTAL	\$408,000	\$0	\$307,000	\$715,000
Bldg. Expan. & Modern.				
Rehabilitate Bus Wash	\$0	\$520,000	\$130,000	\$650,000
HVAC Replacement	\$0	\$80,000	\$20,000	\$100,000
Concrete Replac.	\$0	\$0	\$50,000	\$50,000
A & E Services	\$0	\$0	\$35,000	\$35,000
EIFS Coating	\$0	\$0	\$25,000	\$25,000
SUBTOTAL	\$0	\$600,000	\$260,000	\$860,000
Shop/Office Eqt.				
Computers/Eqt.	\$0	\$0	\$20,400	\$20,400
Shop Equipment	\$0	\$0	\$50,000	\$50,000
SUBTOTAL	\$0	\$0	\$70,400	\$70,400
Bus Stop Improve.				
Bus Stop Improve.	\$40,000	\$0	\$10,000	\$50,000
Concrete at Shelters	\$0	\$0	\$25,000	\$25,000
SUBTOTAL	\$40,000	\$0	\$35,000	\$75,000
Technology				
Bus Security Cameras	\$0	\$0	\$60,000	\$60,000
Building Security System	\$0	\$0	\$200,000	\$200,000
Auto. Pass. Counters	\$0	\$0	\$25,000	\$25,000
NextBus GPS Vehicle Tracking Replacement	\$0	\$0	\$100,000	\$100,000
Annunciators	\$240,000	\$0	\$60,000	\$300,000
SUBTOTAL	\$240,000	\$0	\$445,000	\$685,000
TOTAL	\$688,000	\$600,000	\$1,117,400	\$2,405,400
Carryover Local	---	---	\$471,691*	---
Total 2018-2019 Local	---	---	\$645,709	---

*Excludes \$715,166 committed to local match for facility expansion

After purchase of these items in 2018-2019, the local capital fund closing balance is estimated to be approximately \$174,291, which is lower than the current 2017-2018 expected balance as a result of significant bus purchases, building and technology projects during the next budget year and the lower operating budget transfer in 2017-2018 of \$460,000 as opposed to the typical \$800,000 due to budget constraints.

The following briefly discusses each of the purchases contained in next year's budget.

Purchase Five, Used 40' Buses - Without the ability to fund new buses through grants from dedicated bus procurement sources, CyRide would need to purchase five used buses each year to have an adequate number of vehicles available for anticipated growth and efficient operation, as well as replace vehicles that no longer are able to be operated safely.

Purchase One, New 40' Bus – CyRide anticipates one bus ranking high enough in the Iowa DOT bus replacement priority list to receive funding from the state through a federal grant they receive. CyRide will receive 80% state funding for its purchase.

Support Vehicle/Shop Truck - The plan assumes replacement of one administrative vehicle per year (white Terrain in 2018-2019) and one maintenance vehicle (smaller truck), for a total cost of \$80,000. Administrative vehicles are replaced every 4 – 6 years and maintenance trucks approximately every 10 years.

Rehabilitate Bus Washer - CyRide's current bus washer would be 13 years old at the time of replacement and at the end of its useful life (typically 10 years). This project would replace or rehabilitate this major facility feature. This project is eligible for State PTIG grant funding at an 80% state share.

HVAC Replacement – This project will be divided between two years, 2018-2019 and 2019-2020. The first year will focus on installation of adequate ventilation in the new bus wash area. The second year will focus on upgrading the HVAC system in the maintenance shop areas.

Concrete Replacement – CyRide would replace large sections of concrete on the east side of the building that were not replaced in 2017-2018. If the budget allows, additional concrete would be poured for minibus and shop truck parking. These vehicles are frequently moved throughout the day and construction of a new pad for these vehicles (by the fuel tanks) will reduce congestion on CyRide's property.

A & E Services – Proposed 2018-2019 capital projects (Bus Wash Rehab, HVAC Replacement and EIFS Coating) would require engineering services to identify the specific work to be completed and estimate their cost. As a result, CyRide would contract with its on-call architectural and engineering firm to provide these services in preparation of this work.

EIFS Coating – Filling of cracks, caulking and application of a new surface to the existing building EIFS would be completed. If budget allows, the south side of the building would also be repainted improving the appearance of the facility and eliminating current color variations.

Computers/Eq. - CyRide would replace three computers (in accordance with the City of Ames computer procurement schedule), two stand-up desks and three desk chairs during the 2018-2019 budget year. The stand-up desk would be new and the desk chairs would be replacements.

Shop Equipment – Two small shop equipment items are scheduled for purchase in the 2018-2019 Capital Plan as follows:

- **Diesel Particulate (Trap Blaster)** – This equipment cleans the ceramic brick in the bus' emissions system - \$30,000
- **Tire Machine and Balancer** - This equipment is used to replace bus tires - \$20,000

Bus Stop Improvements/Signs – This funding would improve existing bus stop locations with concrete pads, benches, shelters and lighting to make service more convenient to its riders. CyRide's new shelter design would be used to install three, large, standard, electric shelters and relocate five existing shelters to less busy bus stops. This project would be funded with 80% federal funds.

Concrete at Shelters – As a result of federal regulation changes, CyRide must now complete an environmental and historical analysis on each new bus stop that utilized federal funds. As a result, small concrete projects are delayed for months with a significant amount of work required to receive federal approval. As a result, staff has segmented these smaller projects and will utilize local funds to complete this work in a timely manner.

Bus Security Cameras – CyRide places interior and exterior cameras on its buses that are used to investigate customer complaints, accidents and identify operational issues. CyRide has developed a program to systematically replace these cameras on its existing buses. This program requires replacement/rehabilitation of these systems on five buses next year.

Automatic Passenger Counters (APC) – Three to four APC systems will be installed in 2018-2019 to begin CyRide's demonstration project with this technology. This equipment will automatically count passengers as they enter the bus and will allow CyRide to test whether it accurately counts passengers on the articulated buses at all three doors. Successful application of this technology will decrease boarding time at stops.

NextBus Vehicle Tracking System – CyRide's current GPS vehicle tracking system, used to provide real-time bus arrival times, is five year old and the original equipment has become outdated. As a result \$100,000 has been programmed in 2018-2019 to either replace outdated equipment or, after further analysis, invest in new GPS technology system.

Security System (Building) - CyRide's administrative office is the only portion of the facility that is currently equipped with a video surveillance system. A new system was purchased for the office in 2016-2017 and is expandable to other areas of CyRide's facility. CyRide's

maintenance shop and bus storage areas would be added to this new system to complete coverage of the facility in 2018-2019. Adequate safety and security of federal assets is an FTA priority and has been a recommendation in federal reviews completed on CyRide's operations in the past.

Annunciators – The ISU disability community has requested that automated annunciator technology be added to the buses. This technology will work with the buses' GPS system to identify its location and automatically use the public address system to announce the bus stops location for visually-impaired individuals. This technology would be added to the entire fleet over a five year period as funding will allow.

Remaining Four Years (2019-2020 – 2022-2023):

Assumptions made for major purchases in future years of the Capital Improvement Plan include the following items, which are contained in the attached City of Ames Capital Improvement Plan information sheets:

Bus Purchases – Representing approximately \$540,000 over the remaining 4-year period, this investment reflects the purchase of 20 used, large buses, maintaining a fleet between 95-105 large buses. Additionally, the plan anticipates funding of four 40'-60' buses and 6 minibuses under anticipated funding by the State of Iowa at an 80% state share.

Other Vehicle Purchases – The plan assumes replacement of one administrative vehicle per year, for a total, four-year cost of \$120,000. Administrative vehicles are replaced every 4 – 6 years.

Dial-A-Ride Bus and Van – In 2015-2016, CyRide replaced/purchased new, both vehicles it leases to HIRTA for operation of CyRide's Dial-A-Ride service. These vehicles are four-year vehicles per Federal Transit Administration guidance; however, CyRide has scheduled their replacement in 2021-2022 and 2022-2023 (six years).

Building Expansion & Modernization – This plan assumes the following:

2020-2021 – CyRide would replace its fuel dispensing system with a high speed fueling system. The current system was installed in 2003 with used equipment at that time. The new system would allow for quicker, more efficient fueling and would significantly reduce fuel spillage due to the new design that sync's with the bus' fuel intake (\$250,000). Also, a majority of the work on the CyRide's HVAC project initiated in 2018-2019 would be completed in this year (\$700,000). The HVAC project would be eligible for State PTIG grant funding at an 80% state share.

2020-2021, 2021-2022 and 2022-2023 - CyRide has begun the process to identify its next steps in expanding its facilities to accommodate buses parked outside and to have the space required to operate its bus fleet in the future. It is assumed that an approved plan will have been developed in this next year to be able to be able to

apply for PTIG funding (\$750,000 each year) for a portion of the facility solution in each of these years. Each year's facility project would be eligible for State PTIG grant funding at an 80% state share.

Bus Security Cameras– CyRide currently has video systems in all of its buses. This equipment has a useful life of 4-5 years. As a result, CyRide would need to replace video systems on at least five and up to twelve buses each year to ensure that these systems are available for incidents that occur on the buses, for a four-year total of \$210,000. These systems have become a valuable tool in the management of CyRide's system, as well as, for law enforcement at the university and city.

Automatic Passenger Counters (APC's) – CyRide would purchase up to three to four units in 2019-2020 and 2020-2021 for a total of 9 -12 buses with this technology (this number includes the 2018-2019 units as well). This will allow all #23 Orange route buses to be equipped with the technology and have backup buses for times when these buses are in for repairs. The total cost for these two years is \$50,000.

Radio System – The City of Ames is working with Story County to develop a comprehensive radio system that can be used by emergency services, as well as city and county departments to communicate. This project is in the planning phases, with assistance from a consultant, but will require CyRide to purchase new hardware/software to be able to communicate with other governmental entities. The cost of this upgrade is unknown at this time and will be identified through this consultant's study, but \$80,000 has been budgeted, as it most likely will be a 2019-2020 expenditure.

Air Compressor – CyRide's air compressor will be 36 years old at the time of replacement (2019-2020) and will have exceeded its useful life (\$25,000).

Shop and Office Equipment – This plan assumes \$14,000 to \$20,000 per year to upgrade computers, purchase stand-up desks and replace office chairs as they are more than 12 years old and \$50,000 per year in shop equipment would be needed to ensure smooth operation in the administrative and maintenance areas. The specific shop equipment to be purchase is identified in the year it is to be purchased.

Forklift – CyRide's current forklift was purchased used and is in excess of 35 years old. Additionally, for the size of CyRide's current facility it is undersized; therefore, this piece of equipment would be replaced at a cost of \$60,000 in 2019-2020.

NextBus – CyRide's current GPS vehicle tracking system, used to provide real-time bus arrival times, will be more than five year old and the original equipment has become outdated. As a result \$80,000 to \$100,000 has been programmed in

2019-2020, 2020-2021 and 2021-2022 to either replace outdated equipment or, after further analysis, invest in a new GPS technology system.

Concrete - The 2019-2020 concrete improvements will be used to replace concrete at one of CyRide's bus turnaround (\$85,000). Concrete repairs in the last three years of the Capital Improvement Plan will be used at CyRide's facility, as needed, to keep the pavement in a state of good repair (\$40,000 per year).

Concrete at Shelters - As a result of federal regulation changes, CyRide must now complete an environmental and historical analysis on each new bus stop that utilized federal funds. As a result, small concrete projects are delayed for months with a significant amount of work required to receive federal approval. As a result, staff has segmented these smaller projects and will utilize up to \$25,000 per year in local funds to complete this work in a timely manner.

A & E Services - Proposed capital projects in the four year period (Facility Expansion, High Speed Fueling) would require engineering services to identify the specific work to be completed and estimate their cost. As a result, CyRide would contract with its on-call architectural and engineering firm to provide these services in preparation of this work up to \$35,000 per year.

Bus Stop Improvements/Signs – CyRide continues to emphasize its bus stop improvement program and has included a \$50,000 annual commitment in the plan through 2022-2023 for a total of \$200,000 over the four-year period.

In addition, in 2019-2020, CyRide would update and replace all 425+ bus stop signs along its routes combining multiple CyRide signs at each stop into one sign.

Both projects will be funded with 80% federal funding.

Annunciators – An additional \$550,000 over the remaining four-years of the CIP would be spent in equipping CyRide buses with this technology.

Additionally, in the 2014-2015 capital plan, the Transit Board approved \$200,000 in local grant matching funds for expansion of CyRide's bus storage. The board also committed \$515,166 from the 2016-2017 Closing Balance for this expansion; therefore, to-date CyRide has \$715,166 available for local match for a facility project. This amount will be held in reserve until state or federal dollars can be secured and an expansion plan developed to begin a facility expansion project. Also, the 2016-2017 uncommitted closing balance above 10% of operating expenses and federal operating dollars could add to this balance. Once the audit is completed and the state's bus grant results are known, staff will prepare a board item to determine how to commit these funds.

ALTERNATIVES:

1. Approve the Five Year Capital Improvement Plan as presented.
2. Approve the Five Year Capital Improvement Plan, with board modifications.
3. Do not approve the Five Year Capital Improvement Plan.

RECOMMENDATION:

The Transit Director recommends Alternative #1 to approve the Capital Plan as presented. This plan balances vehicle and facility needs with other capital requirements to move CyRide forward in multiple directions, allowing for a smooth and efficient operation of its services.

CITY OF AMES, Iowa

MEMO TO: Ames Transit Board of Trustees

FROM: Sheri Kyras

DATE: January 16, 2018

SUBJECT: 2018-2019 Operating Budget

BACKGROUND: CyRide staff annually develops preliminary budget proposals for consideration by the Transit Board of Trustees at their November/December meeting. These budgets reflect anticipated revenues and expenses for the next budget year, beginning in July of the following year. Under the Intergovernmental Agreement between Iowa State University, Student Government (SG) and City of Ames, the Transit Board of Trustees is required to approve a budget by January 21st of each year.

There are changes in three areas to the 2018-2019 Operating budget since the December 2017 Transit Board meeting as follows (highlighted in red throughout the document):

- ***Budget Analysis Sheet - Addition of a second Budget Analysis (Option B) lowering the price of fuel from the original budget (Option A) of \$2.75 per gallon to \$2.50 per gallon in Option B.***
- ***Possible Budget Options Spreadsheet – Added a fifth option, “5 Additional Hours of Service/Day” in this spreadsheet. Also, corrected an erroneous formula in the spreadsheet, which increased the “10 Additional Hours of Service/Day” option from 1.3% to 1.9%.***
- ***Student Fee Trust Fund Summary –***
 - ***Reflects recently approved \$212,980 ICAAP grant award for the last eligible year of the Plum route service, which reduces the projected student fee increases over the next three-year period.***
 - ***Updated “Student Semester FTE’s” three-year average used to estimate the actual revenue to the past three years, as opposed to a three year average further back in CyRide’s history. This positively impacted the “Actual Revenue,” which in turn lowered the deficit and increased the “Ending Balance”.***

INFORMATION: This report will be divided into two sections as follows:

- FY2017/18 Budget Status (current year)
- FY2018/19 Budget Assumptions, Expenses, Revenues and Options (next year)

FY2017/18 Budget Status (as of Oct. 31, 2017)

Year-to-date, compared to the same time period one year ago, the 2017/18 budget has experienced a +1.3% increase in expenses over the previous year; however, is trending lower than budgeted for the year. Revenues are lower year-to-date at -1.4% compared to a year ago and trending lower compared to the budget. The line items contributing to these changes are described below.

Expenses

There are two significant fixed route variances from budget in the expense line items. The single largest variance is in driver wages due to the amount of overtime required as a result of CyRide's driver shortage (+3.3% or +\$51,769). The 2017/18 budget amount for overtime was \$100,000 and is trending to be \$225,000 to \$250,000 this fiscal year.

The wages expense is being partially offset by lower than budgeted fuel cost at \$269,750 year-to-date compared to \$292,976 one-year ago. This is a result of lower fuel costs over the summer and early fall; however, *current prices* are higher than one year ago (\$1.95/gallon versus \$1.54/gallon). The *year-to-date average* is \$1.84/gallon compared to a budgeted price of \$2.50/gallon.

All other expenses are relatively close to the 2017/2018 budgeted expenses.

Revenue

On the revenue side, there are three categories that are experiencing significantly higher/lower than anticipated revenue for the first four months of the fiscal year:

- **Farebox/Pass Sales** – -4.4% lower than one year ago – year-end decrease anticipated of \$11,600. All reduced fare categories are higher, while full fares are lower except for full fare semester passes.
- **Advertising Sales** - +96.8% higher than one year ago – year end increase anticipated of \$100,000.
- **STA (State) Operating Assistance** - +4.0% higher than one year ago. If this trend continues, CyRide could receive \$30,000 more in state funding.

There are three additional funding sources that indicate a variance at this time; however this is due to timing of when these revenues are received. These sources are: federal, City, and Transit Contract funding.

All other revenues are relatively close to budget expectations.

Closing Balances

CyRide has three closing balances: operating, Student Government Trust Fund and capital. The following summarizes project balances for the 2017/18 budget year.

Operating Balance - At the current time, the operating closing balance is anticipated to increase from the actual 2016/17 balance of \$1,049,201 to actual 2017/18 balance of \$1,424,153, increasing to a 12.8% fund balance.

Capital Balance – Currently, the capital closing balance is anticipated to decrease from the 2016/17 balance of \$1,051,251 to \$471,691 due mainly to the delivery of three, new 40' buses in early 2018 and a reduction in the operating fund transfer. Typically CyRide transfers \$800,000 annually, but only \$460,000 was transferred for the current budget year due to budget constraints.

Student Government Trust Fund Balance – The 2017/18 budget is projected to end the fiscal year with a **\$472,503** balance, **slightly** below the desired \$500,000 balance. (see attached chart entitled, "ISU Student Fees and Trust Fund Summary"). The reason for the lower balance is a result of projected student enrollment at 36,807 as opposed to the actual enrollment of 36,321, which generated less revenue than anticipate for the current year.

2018/19 Operating Budget Request

Budget Assumptions –

In the 2018/19 budget development, the following major assumptions were incorporated into each of the budget options discussed below.

- **Health Insurance** – Health insurance costs will change (increase of \$178,944 over 2017/18) to reflect the following:
 - **Rate increase** - 4%, increasing expenses by \$29,944
 - **Impact of ACA costs** – increasing expenses by \$150,000 (more drivers being offered and accepting insurance)
- **Payroll Expenses** - Overall payroll expenses (wages and benefits, less health insurance described above) will increase 2.9% from the 2017/18 adopted to 2018/19 requested budget due mainly to annual wage increases. This expense will increase by approximately \$227,001, which includes a \$50,000 increase in overtime from the current budget to \$150,000 in total.
- **Fuel** – Fuel is budgeted at \$2.75 per gallon (Budget Analysis Option A), increased from the 2017/18 adopted budget of \$2.50 per gallon, or remaining at \$2.50 per gallon (Budget Analysis Option B).

- **Federal/State Funding** – Federal funding will be budgeted at the last allocation CyRide received in light of the change in accounting practices where the federal allocation is allocated in arrears. The FY2018/19 budgeted revenue will be \$2,000,000. State funding is anticipated to remain the same at \$780,000 in the 2018/19 requested budget.
- **Funds Transferred to Capital** – The 2018/19 budget reflects a transfer of \$800,000 to the capital fund to purchase buses, shop equipment, repair the facility, etc. The 2017/18 transfer was also \$800,000, indicating a stable annual transfer of funds and the need to accumulate additional local dollars in the next several years to pay for new buses under grants and facility needs.
- **Fares** – This baseline budget assumes no change in fare prices; however, a change in fare structure may be considered as an option to “rollback” fares to the fare structure in 2011.

In total, the annual operating costs from the adopted 2017/18 to 2018/19 budget is an increase of \$371,748 or 3.3%. **This would require a 2.5% local share increase from the three funding partners for Option A at \$2.75 per gallon or a 1.5% increase for Option B at \$2.50 per gallon.**

FY2018/19 Budget Options -

CyRide staff has developed a baseline budget, which preserves the existing level of service (same number of revenue hours) at next year’s cost. This baseline budget, does not include modification of the initial driver’s wage, but has been included as a budget option and can be added to the baseline budget. In addition to this wage change option, staff and the Transit Board have identified **five** additional options for consideration as described below.

- **Option 1** – Increase Initial Driver Wages
- **Option 2** – 10 Additional Hours of Service Per Day
- **Option 3** – Part-Time Information Technology Manager
- **Option 4** – Fare Reduction
- **Option 5** – 5 Additional Hours of Service Per Day

Each of these additional services is briefly described on the next page entitled “2018-2019 Budget Options Descriptions” and was presented in more detail at previous Transit Board meetings. Additionally, the attached chart entitled, “2018-2019 CyRide Budget Options,” provides financial information on each option, which details the total local cost, each local funding partners share in dollars, as well as their percentage increase in funding.

Staff is seeking board input on which baseline budget and option(s) should be included in CyRide’s final budget.

ALTERNATIVES:

1. Approve the Baseline Budget Option A, which includes \$2.75 per gallon of fuel plus board selected options.
2. Approve the Baseline Budget Option B baseline, which includes \$2.50 per gallon of fuel plus board selected options.
3. Approve Baseline Budget Option A only (2.5% local funding partner increase).
4. Approve Baseline Budget Option B only (1.5% local funding partner increase).

RECOMMENDATION:

The Transit Director recommends Alternative #1, approving Baseline Budget Option A, plus board priorities for additional options. At a minimum, staff recommends including Options #1, #3, #4 and #5. The total local funding partner increase for this recommendation would be 4.7% for the 2018-2019 budget year.

Staff believes Option A should be chosen in light of recent fuel increases. CyRide's last three loads of fuel have averaged \$2.05 per gallon compared to the year-to-date average of \$1.87. Also, in looking at fuel predictions, most sources predict a modest increase in prices over the next 12 month period.

2018-2019 Budget Options Description

#1 – Initial Driver’s Wage Modification

With extremely low unemployment in Ames and CyRide’s starting salary below many employers offering higher wages for competing positions, CyRide is finding it difficult to attract and retain a sufficient number of drivers to maintain existing service levels. Currently, CyRide’s overtime expense for this year is on track to be the highest in its history at around \$225,000 to \$250,000.

Additionally, typical driver staffing levels are between 160-165 drivers. CyRide began its fall 2017 service with 139 drivers. In reviewing current wages for similar driving positions offered by competing companies, CyRide found that CyRide’s starting level was below the middle, on top of not offering health insurance as is offered by other providers. In past years, CyRide had been near the top of the wage scale for driving positions in the area. The reason for this lower comparative starting wage rate occurred more than twelve years ago, during labor negotiations, CyRide’s lowest part-time driver wage (Step A) was frozen in a budget reduction measure. As a result, this wage has lagged behind the remainder of CyRide’s part-time driver pay scale (Steps B and C) and has contributed to the slide in CyRide’s ability to attract driving staff. If that wage had not been frozen, CyRide’s lowest pay rate for drivers today would be \$16.04 per hour.

To begin to increase the part-time wage and attract more qualified drivers to meet next years’ service level with the System Redesign, CyRide proposes to consider increasing its lowest part-time wage rate by an additional 2% beginning July 1, 2018 from \$15.29 per hour to \$15.60 per hour, making it closer to the wage that drivers would have been receiving if the wage freeze had not occurred.

Estimated Annual Cost: \$15,600

#2 - Additional Hours of Service 2016-2017: Service 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: \$150,904 - 10 hrs.
\$75,452 - 5 hrs.

#3 - Part-Time Information Technology 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

#4 – Fare Analysis

The fare structure charged customers has a direct impact on ridership. A modification in CyRide’s current fare structure could positively impact customer’s choices to use CyRide’s new System Redesign services by maintaining or increasing the number of rides provided in light of the extensive service modifications planned for May and August 2018. **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.

Estimated Annual Cost: \$15,600

CyRide's Fixed Route Fare Structure Comparison

Fare Category	Current Fare Structure (2012 - Present)	Previous Fare Structure (2004 - 2011)
Fixed Route Service		
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
Replacement of Lost or Stolen Pass	\$10.00	\$10.00

Transit Director's Report

January 2018

1. Rate-Setting (Fares)

Each year, as required as an agency of the City of Ames, CyRide formally establishes its rate structure for its fares and passes. Last year the board approved this structure along with the budget in December. This year, with the board's consideration of changing these rate structures, CyRide staff will delay discussion/action regarding this issue until its February 2018 board meeting, after a decision has been made on the rate structure and budget in January 2018.

2. CyRide Survey 2.0

In November 2017, CyRide staff held a public meeting and developed an online survey to gather input on the new bus schedules that will be implemented as part of the CyRide 2.0 service changes in May and August 2018. The attached summary provides the board with input received through the online survey. The public meeting comments were provided to the board at the December 12, 2017 meeting. As a result, specific concerns were provided on two schedules – yellow and brown routes. CyRide's Scheduler/Administrative Analyst will be reviewing the comments to determine if modifications can/should be made prior to finalizing the schedules.

3. ICAPP Grant Approval

CyRide's Iowa Clean Air Attainment Program (ICAAP) application to the Iowa DOT for support of the second bus on the Plum route, which allows for a 20-minute service level, has been recommended for approval to the Iowa DOT Commission. This commission will take action on this recommendation at their January 2018 meeting, but is anticipated to approve the project for full funding, at \$212,980 in federal/state support of the route. Since this route was funding with 100% Student Government funding, when the funds are received they will be credited back to CyRide's Student Government Trust Fund per the board's direction in previous meetings.

4. 2017-2018 Ridership Update

CyRide has completed its year-to-date ridership calculations through November 2017 and CyRide's lower ridership trend is continuing with a .5% ridership decrease

or a loss of 13,722 rides over the five month period. Newer trends that staff are seeing in its ridership is as follows:

- Lower ridership (decrease of 5-6%) from West Ames, which had been increasing significantly for the past 12 years, up until this year.
- Increased ridership on the #23 Orange route from Iowa State Center with a 4-5% increase or approximately 10,000 additional rides per month
- #3 Blue route ridership increase of 5.5%, believed to be a result of the Stadium View Apartment Complex
- #21 Cardinal route ridership increase of 17.8%, returning to levels two years ago
- Moonlight Express service continues to decline with a 24% decrease in ridership

CyRide Civic Engagement Survey Results Summary (Public Opinion on CyRide 2.0 Schedules/Bus Stops)

*Total of 46 Respondents
(10-17 individuals provided input on a single route)*

Route	Like Schedule	Dislike Schedule	Comments
#1 Red	54.5%	27.3%	<u>Like</u> – More frequent times <u>Dislike</u> – Does not circulate around campus, new route does not run in the evening, not having Dickenson/Steinbeck loop
#2 Green	73.3%	26.7%	<u>Like</u> – Increased frequencies, schedule times in West Ames, night service <u>Dislike</u> – Connection between green-yellow routes
#3 Blue	55.0%	35.0%	<u>Like</u> – Target/Walmart extension, 10 mins. frequency, Chipotle stop removed <u>Dislike</u> – Peach Route replacement not frequent enough, no Peach route on the weekends
#5 Yellow	70.0%	20.0%	<u>Like</u> – Consistent schedule, route makes sense <u>Dislike</u> – Connection with green to campus
#6 Brown	66.67%	25.0%	<u>Like</u> – Sat. service, frequency in the morning, extended hours to Research Park, earlier times at the mall <u>Dislike</u> – schedule times don't match class times, lower service frequency
#7 Purple	50.0%	40.0%	<u>Like</u> – More frequent buses, time point locations <u>Dislike</u> – No midday Purple route, less frequent service on Dickenson
#9 Plum	77.8%	11.1%	<u>Like</u> – Simple, consistent schedule <u>Dislike</u> – No comments
#11 Cherry	58.8%	35.3%	<u>Like</u> – Serves class times well, addition of another route to this area, less confusing service in W. Ames <u>Dislike</u> – No service past 7 pm, does not circulate around campus
#12 Lilac	42.8%	50.0%	<u>Like</u> – Serves W. Ames well <u>Dislike</u> – Will cause confusion, not all day service, does not circulate through campus
#14 Peach	33.3%	58.3%	<u>Like</u> – Separation from Orange route <u>Dislike</u> – Minibus will be too small/not as safe, lower frequency

Route	Like Schedule	Dislike Schedule	Comments
#23 Orange	72.7%	9.1%	Like – Consistent time points, not having Vet Med. on the route Dislike – Not having Vet Med. on the route
#25 Gold Route	50.0%	33.3%	Like – More frequent service, turnaround at Towers Dislike – Not operating on Pammel, too many stops in SUV
EASE Zone Service	83.3%	16.7%	Like – Improvement over Pink/Gray routes Dislike – One hour frequency
#4/4A Gray Eliminated	50.0%	50.0%	Like – Reduced redundancy Dislike – Less service to theaters
#10 Pink Eliminated	72.7%	27.3%	Like – Service to the door Dislike – Too much hassle
#22 Gold Eliminated	80.0%	20.0%	Like – No comment Dislike – More inconvenient with no service to Pammel
#24 Silver Eliminated	87.5%	12.5%	Like – No comment Dislike – No comment

February

<i>Sun</i>	<i>Mon</i>	<i>Tue</i>	<i>Wed</i>	<i>Thu</i>	<i>Fri</i>	<i>Sat</i>
				1	2	3
4	5	6	7	8	9	10
11	12	13	14 Transit Board Mtg. @ 8:00am Valentine's Day	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

2018