

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

January 16, 2018

The Ames Transit Agency Board of Trustees met on January 16, 2018 at 3:00 P.M. in CyRide's Conference room. Vice President Valentino called the meeting to order at 2:59 P.M. with Trustees Valentino, Bibiloni, Cain, Jeffrey, and Schainker present. Absent: Trustee Nelson.

APPROVAL OF MINUTES: Trustee Bibiloni made a motion to approve the December 12, 2017 minutes as presented. Trustee Schainker seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

TRANSIT BOARD OF TRUSTEES ELECTION: Director Kyras said that there are two vacancies on the transit board with President Haila being elected as Mayor and the departure of Kate Gregory, who was also the Transit Board's Ames Area Metropolitan Planning Organization's (AAMPO) representative. She indicated that she had polled board members prior to the meeting to ask if they had an interest in either the President or AAMPO position. She indicated that Trustee Valentino had shared his interest in the President's position and that Trustee Bibiloni would then be interested in the vacant Vice President position created by this change. Further, she indicated that there had been no interest in the AAMPO position.

Trustee Schainker made a motion to nominate Trustee Valentino as President and Trustee Bibiloni as Vice President. Trustee Cain seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

President Valentino asked for nominations for the AAMPO Representative. Director Kyras provided details regarding the requirements of this position.

Trustee Valentino indicated that he would be willing to fill the AAMPO vacancy.

Trustee Schainker made a motion to nominate President Valentino to the Transit Board's AAMPO representative and seconded by Trustee Cain. (Ayes: Five. Nays: None.) Motion carried.

DRUG & ALCOHOL POLICY CHANGE: Director Kyras briefly summarized the January 1, 2018 changes required by the federal government, which established new regulations to test for additional drugs (synthetic opioids) and position title changes. She indicated that CyRide has included these new testing requirements in its drug testing program since the first of the year; however, CyRide's policy, approved by the Transit Board, must also be modified as well. She directed board members to the new draft policy with changes highlighted in red.

Trustee Schainker made a motion to approve Alternative # 1, the revisions to CyRide's Drug and Alcohol Testing Policy regarding the addition of four synthetic drugs to its testing protocol and updated language. Trustee Bibiloni seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

CYRIDE'S CONCRETE REPLACEMENT PROJECT CLOSEOUT: Director Kyras provided a brief explanation of the concrete work completed and location of the repairs. Further, she explained that the repairs were completed last summer, but that the total project was delayed due to a backordered light. She indicated that all requirements of the contract were now complete to CyRide and the Architect's satisfaction and that the remaining dollars to be paid reflected the light expenses of \$4,400.

Trustee Nelson arrived at 3:04 p.m.

Trustee Cain made a motion to approve Alternative #1 to accept the 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. Trustee Jeffrey seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

2016-2017 CLOSING BALANCE: Director Kyras explained two transit board polices that establishes the operating closing balance fund level. She explained that the first was adopted by the board in 2016, and set the closing balance level of: between 7.5% and 10% of operating expenses. Further, she explained that when the balance is lower than this desired level, that staff would provide options to raise revenue or lower expenses to be within that range. She indicated that when the funding is above 10%, that staff would provide board members with options to reprogram the funds above 10%.

Director Kyras then explained the second policy, which was adopted in the fall of 2017 as a result of an accounting practice change. Further, she explained that the federal government required that funds allocated in a fiscal year be allocated to CyRide's corresponding budget year, even when the federal funds are received after the budget year is completed. She indicated that this change would create a cash flow issue if a larger balance was not carried to address this issue. As a result, the transit board adopted a policy to carry an equivalent amount of CyRide's federal funds in addition to the 7.5 - 10% closing balance.

She then provided information regarding the final 2016-2017 closing balance, indicating that it was \$3,595,434. She then explained the impact of the two polices above and several commitments that the board had previously made for closing balance funds, resulting in an unallocated balance of \$151,816. She further explained that this unallocated balance was higher than previously discussed at board meetings (\$97,500) due to previous discussions being based on pre-audit figures and the \$151,816 being based on post-audit fund levels.

She then provided information on possible capital or operating projects for which these unallocated funds could benefit CyRide – Facility expansion, ADA expenses, other capital needs such as electric buses and additional service needs. She also indicated that the board could choose to leave the funds unallocated at this time until the final costs on two projects funded through the closing balance were known.

Trustee Nelson shared his thoughts that he believed that there was not a need at this time to make a decision and that waiting until more information was known seemed like a good approach, indicating a better decision could be made at that time.

Trustee Nelson made a motion to accept Alternative #1 to not commit CyRide's remaining 2016-2017 closing balance at this time. Trustee Bibiloni seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Director Kyras requested guidance on when to bring a discussion of the ending balance back to the transit board. It was decided that after the statewide bus grant application results and the ACA expenses were known that staff should include this item on a future board agenda.

FIVE YEAR CAPITAL IMPORVEMENT PLAN: Director Kyras shared that there had been no changes in the capital plan recommendations or projects since the December board meeting. She then summarized the projects contained in the first year of the plan.

Trustee Schainker requested clarification on the local dollars needed to support the first year of the plan. Director Kyras indicated that the total local dollars were \$645,709, but that \$800,000 would be transferred from the operating budget for capital purchases. She indicated that the difference in funds would support projects in the remaining four years of the plan.

Trustee Nelson made a motion to approve Alternative #1 approving the Five Year Capital Improvement Plan as presented. Trustee Bibiloni seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

2018-2019 OPERATING BUDGET: Director Kyras shared changes from the December 2018-2019 operating budget discussion with board members, which included a second baseline budget option reflecting a lower fuel price, a fifth budget option for five additional hours of service per day, reflection of additional ICAAP funds to the Student Government Trust Fund based on recent notification by the Iowa DOT and corrections to previous budget spreadsheets.

She then explained staff's recommendation for the 2018-2019 budget – Baseline Budget A, reflecting \$2.75 per gallon in fuel, plus the following options:

- Increase in the initial driver's wage to \$15.60 per hour
- 5 additional hours of service per day
- Part-time Information Technology position
- Fare reduction to the previous fare structure reflecting cash fares of \$1 per ride

She then explained the reasoning for staff's higher fuel price recommendation, indicating that she had, had a conversation with an petroleum industry expert and their prediction was for fuel prices to increase over the next 12-18 months; however not aggressively. Further, she indicated that the last three loads of fuel had averaged \$2.05 per gallon and, that at \$2.75 per gallon next year, it would provide more flexibility for fuel prices to increase to a level that would not negatively impact the budget. She indicated that it was a board policy on how much risk to take in this line item.

Trustee Nelson inquired about CyRide's past policies on setting fuel prices in the budget and whether a conservative approach had been taken. Further, he asked if these approaches had allowed actual fuel expenses for the year to be within budget. Director Kyras responded that the past years were mixed, where some years the fuel line item was over budget, which reduced the operating closing balance, and more recently it had been under budget, allowing for reallocation of a portion of the closing balance.

President Valentino shared his thoughts that he was in favor of budgeting fuel at \$2.75 per gallon.

Trustee Schinker asked for the difference in costs between Baseline Budget A and B options. Director Kyras indicated that option B was \$102,000 less, with fuel at \$2.50 per gallon (approximately a 1% reduction in operating expenses).

There was a general discussion comparing the two baseline options regarding the dollar increase for each local funding partner's total dollar contribution.

Trustee Schinker requested an explanation as to why the fare reduction option was being proposed at this time. Director Kyras indicated that it was due to the significant reduction in non-student rides since the fare increase in 2011 and board's desire to reverse this trend, as well as providing a financial incentive for individuals to try CyRide's new 2.0 route structure.

Trustee Bibiloni made a motion to approve Alternative #1, approving Baseline Budget Option A, which includes \$2.75 per gallon of fuel, plus board selected options of the driver wage change, five additional hours of service per day, part-time Information Technology position and a fare reduction. Trustee Jeffrey's seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

President Valentino asked for clarification that the approved budget resulted in a 4.7% increase in each funding partner's local share. Director Kyras confirmed that this percentage increase was correct.

TRANSIT DIRECTOR'S REPORT:

- **Rate-Setting (Fares)** – Director Kyras informed board members that staff would include formal rate-setting proposals on the February board agenda.
- **CyRide Survey 2.0** – Director Kyras shared results of the online survey feedback received regarding the new CyRide 2.0 schedules. She indicated that two specific schedule changes had been requested on yellow and brown routes and that staff would be reviewing these schedules to determine if the requests could be accommodated.
- **ICAPP Grant Approval** – Director Kyras shared news that the IDOT approved funding for CyRide's Plum route (\$212,980), which would be credited to the Student's Trust Fund.
- **2017-2018 Ridership Update** – Director Kyras shared ridership trends for the fall semester through November 2017, indicating a ridership decrease and specific route trends that were impacting total ridership.

Trustee Schainker inquired about CyRide's Moonlight Express service's significant ridership decrease and possible reasons for this change. He also asked if students were paying 100% for this service. Director Kyras shared community conversations she had, had regarding changes in demographics that could impact CyRide's ridership. She indicated that city staff had indicated that many establishments in Campustown were also experiencing lower customers. These establishments believe this is attributed to ISU's younger student population, and that in several years, this downward trend will reverse. She also shared that CyRide's Moonlight Express service was being paid for by all three funding partners, based upon traditional funding shares.

She also shared transportation trends occurring at the University of Iowa and Cambus, indicating lower ridership, an increase in students using scooters, an increase in private shuttle transportation from apartments and route reductions.

A general discussion about private apartment shuttles in Ames was held. Director Kyras indicated that one apartment was currently providing a shuttle for their tenants and dropping customers at the Iowa State Center to board the Orange route; however other apartments were considering this type of service for their tenants. She also shared

information that ISU had identified a private shuttle drop off location on Lincolnway near Friley, but was not currently requiring shuttles to use this at this time.

President Valentino asked the transit board if the proposed dates and times (below) for the upcoming spring transit board meetings met with everyone's approval. Trustee Jefferies indicated that she preferred later meeting times. As a result, staff was directed to determine new dates/times that will work with the current board member's availability.

Set Meeting Times and Place:

- February 14, 2018, 8:00 AM
- March 20, 2018, 8:00 AM
- April 24, 2018, 8:00 AM
- May 24, 2018, 8:00 AM

ADJOURN: Trustee Bibiloni made a motion to adjourn the meeting at 3:50 p.m. and motion was seconded by Trustee Schainker. (Ayes: Six. Nays: None.) Motion carried.

Steven Valentino, President

Joanne Van Dyke, Recording Secretary