

AMES TRANSIT AGENCY BOARD OF TRUSTEES

AMES, IOWA

March 12, 2019

The Ames Transit Agency Board of Trustees met on March 12, 2019 at 4:15 p.m. in CyRide's Conference room. President Bibiloni called the meeting to order at 4:17 p.m. with Trustees Cain, Jeffrey, Schainker, Bibiloni, and Schrader present.

Public in Attendance: Cathy Brown and Sarah Lawrence, ISU Facilities Planning & Management, John Grzywacz with Central Iowa Transit (CIT), and Trent Taglauer, ISU student.

Approval of February 14, 2019 Minutes: Trustee Jeffrey made a motion to adopt the February 14, 2019 transit board minutes as presented and Trustee Schrader seconded the motion. (Ayes: Five. Nays: None.) Motion carried.

Public Comments: Director Kyras shared an email addressed to board members, which she indicated was received that morning from Julie Weeks, Ames Convention & Visitors Bureau.

Trustee Nelson arrived at 4:20 P.M.

Facility Site Study: Director Kyras recapped board discussions from the past two board meetings indicating that the possible second facility sites had been narrowed to the top two sites. She introduced Ryan Carter from ASK studios, indicating he would be assisting with the presentation.

Director Kyras presented the construction cost estimate for the top two sites - #17 and #13, as displayed in the board material. She indicated that three budget had been prepared – Architect's Estimate (best option for a second site), Max Budget Driven (based on local share CyRide currently had available), and Full Build (all operations located at the new site). She indicated that Site #17 was approximately \$131,680 - \$400,000 less over the three budgets due to lower utility costs at this site versus Site #13. Site #13 would require a septic and lagoon system to support CyRide operations.

Ryan Carter explained that the Max Budget Driven budget included a basic building, with a lower level of finishes and fewer functions able to be accommodated at the site. Director Kyras indicated that under this budget option, the second facility functioned as a storage building only, as opposed to a fully-functioning second site.

Director Kyras and Ryan Carter then explained the challenges and benefits of each site. Director Kyras then explained that the Max Budget Driven estimate was based on a total project cost of \$6.3 million dollars and that an explanation of how staff arrived at this figure would be discussed later in the report.

Director Kyras then explained the operating cost analysis that CyRide staff had completed. She explained the assumptions included in the analysis – articulated and electric buses housed at the second site, not operating from the second site during evenings, weekends and summers. She then explained that the operating costs were divided into two categories – staffing/insurance /utilities and incremental deadhead costs. Based on this analysis, the staffing, insurance/utility costs were estimated to be the same for both sites; however, Site #17 was approximately \$10,000 per year less expensive to operate from.

Director Kyras then provided a side-by-side comparison of the two sites with the analysis completed on each site to-date. She summarized this comparison indicating that from staff’s perspective site #13 was easier to operate from, but that Site #17 was most cost effective considering its initial construction and annual operating costs.

Director Kyras then provided information regarding grant opportunities and financing needed to construct a second site. She explained that there were two federal grants, BUILD and Bus & Bus Facilities, available to provide approximately 75% of the cost of a new facility, if awarded a grant. She detailed the requirements of each grant. She then explained the two sources of local dollars to match these grants – operating closing balance committed by the Board to a new facility (\$715,166) and uncommitted operating closing balance above the Board-required 10% that could be committed to a new facility (\$647,880 as of June 30, 2018 and \$897,880 anticipated at June 30, 2019). She indicated that, in-total, approximately \$1.3 million dollars could be committed to a federal facility grant.

Director Kyras then explained the four options in moving forward at one of the two top sites – BUILD Planning Grant, BUILD Construction grant, Site Selection/FTA Requirements (using local dollars) or to table action at this time. She also explained that staff would not recommend developing an application for the Bus & Bus Facilities grants as the awards were less than CyRide would need and it could compete with CyRide’s Low-No grant application for its electric bus project.

She briefly explained the activities that would be included in each option. BUILD Planning grant would include:

- Two real estate market analysis
- Environmental analysis (NEPA)
- Land purchase
- Preliminary building design

She indicated that the total cost of this option is approximately \$600,000, requiring approximately \$150,000 in local dollars, leaving approximately \$500,000 to \$750,000 uncommitted in the operating closing balance above 10%.

The BUILD Construction grant would include:

- Final Design
- Construction

She indicated the total cost of this option was based upon the maximum local dollars available at this time for a total budget of approximately \$6.3 million dollars, requiring \$1.3 million in local share and leaving approximately \$200,000 uncommitted in the operating closing balance above 10%. The Director then briefly shared the activities and timeline for this construction project, indicating, that in a best case scenario, a second facility could be constructed in four years.

Third option of choosing a site and completing the federal requirements needed to proceed forward using local dollars only, would require the following activities:

- Two real estate market analysis
- Environmental analysis (NEPA)

She indicated that the total cost of this option is approximately \$95,000 in local dollars, leaving approximately \$550,000 to \$800,000 uncommitted in the operating closing balance above 10%.

She indicated that the fourth option was to table action at this time under the belief that additional funding would need to be secured to proceed forward. Director Kyras also shared the benefits of each option.

Director Kyras indicated that two actions would be needed by the transit board at the meeting. The first on either selecting a “preferred” and “secondary” site or tabling action at this time and the second on which of the four next step options the board desired. She indicated that staff’s recommendation on a “preferred” site was #17 due to it lower initial and on-going costs.

Trustee Cain inquired about the timeframe to receive an approved site by FTA. Director Kyras indicated that staff could receive FTA’s “unofficial” opinion based on a site review within a few months, but that the environmental/historical analysis would need to be completed before a more formal assessment was made by FTA. She indicated this could take up to 6-9 months. Trustee Cain asked about when the Planning Grant’s availability notice might be released. Director Kyras indicated that typically they are released in early summer.

Trustee Schinker shared his thoughts that \$6.3 million was needed to construct a very minimal facility, as opposed to a fully functioning second site at a cost of \$10 million dollars. He indicated that the \$10 million dollar option would work best for CyRide.

Director Kyras further shared that coordinating a facility for CyRide and HIRTA could strengthen a BUILD grant in that it emphasized multijurisdictional projects. She indicated that the BUILD planning grant would allow more time for their CyRide and HIRTA to have discussions about partnering in one location. There was a board member discussion on CyRide versus HIRTA local share needed.

Cathy Brown shared her preference for a planning grant, indicating it allowed for additional time to consider the sites.

Director Kyras shared her thoughts about the two sites, indicating that securing the land for a grant application could be less difficult on Site #13 where the ISU Foundation owned the land. She indicated it might allow for additional options to be considered, such as only a letter committing the land if a grant was awarded, as opposed to purchasing the land, as would be required with Site #17.

Trustee Cain asked if CyRide could “tag team” grants by working through the planning grant at the same time as requesting a construction grant. Director Kyras indicated that the federal government would most likely not fund a construction grant if the planning grant was not completed.

Trustee Nelson shared a concern regarding the zoning and City’s Land Use Policy Plan, indicating that Site #17 would require a reclassification of both; where Site #13 was already zoned and in the Policy Plan as industrial. He indicated that the need for reclassification could be an issue.

Director Kyras shared her perspective that Site #13 would be easier for CyRide to operate from; however, the utility issues at this site created additional cost. She indicated that it was possible to have further discussions with city and Boone County officials regarding future utility plans to determine if Site #13 costs could be reduced. It was pointed out that the operating costs staff had prepared did not include on-going costs to maintain the septic and lagoon systems, only their initial construction costs were included in ASK Studio’s estimates.

Trustee Nelson asked if Site #17 was purchased, whether the costs provided by staff included its expenses to own the site before construction was initiated. Director Kyras indicated that these costs were not included in the estimates provided.

Trustee Cain asked for clarification on a scenario where CyRide purchased the land and was not able to receive grant funding. Director Kyras indicated that CyRide would need to either sell the land or wait until a grant was received.

Director Kyras shared her thoughts that there was not a perfect “preferred” site location, indicating that there were concerns with both sites; however, once constructed, the ongoing costs at Site #17 would be less.

Director Kyras shared the options regarding site selection - choosing one site over the other as the “preferred” and “secondary” sites or, if board members are not comfortable moving forward at the meeting, the discussion could be tabled until a future meeting.

Trustee Jeffrey shared her thoughts, indicating that CyRide may not receive a planning grant, but that she believed CyRide had a good “story to tell” with 18 buses sitting outside in cold weather and being a small urban area. She indicated her preference to try for the BUILD planning grant.

Trustee Schrader indicated that, from a student’s perspective, spending CyRide’s/student’s limited dollars on constructing and maintaining lagoons and septic systems was not a direction he was comfortable with.

Trustee Cain suggested reaching out to the FTA to see if other transit systems had submitted a planning grant.

Director Kyras shared the timing of a planning grant, indicating it could be spring 2020 before awards were made; which would give CyRide time to further explore the site utilities of both sites with the city and county.

Director Kyras explained the four “preferred site” alternatives, and based upon which alternative they chosen, the next step alternatives for each.

President Bibiloni shared his thoughts that he believed the board was leaning toward alternative #4 for the “preferred’ site option, to table discussion at this time as additional questions should be addressed.

Trustee Cain inquired about how the FTA would address a scenario where both sites were included in a grant application. Director Kyras indicated that they most likely would view this as the local government not being ready to move forward at that time and it would be less attractive to fund.

Cathy Brown, ISU Facilities, inquired about the local share required for either grant. Director Kyras indicated that the FTA Director had indicated that the local share amount (20% versus 50%) is dependent the size of an applicant’s community. She indicated that 50% might be required from a Chicago system versus 0% from a rural bus operator.

Trustee Schainker inquired about a scenario – If the grant indicated Site #13, but a year later, after further study, Site #17 was the best option, could CyRide switch sites under the grant? Director Kyras indicated that her belief was that if CyRide had used federal funding on Site #13, we would need to pay back the funds if CyRide switched to Site

#17. However, if federal funds had not been spent, she believed that FTA could be amenable to using the grant funds on a different site.

Trustee Schainker said that his “preferred” site selection would be alternative #2 for Site #13 and for Site #17 as the “secondary” location. Further, that he would choose “Next Step” Alternative #2 to submit a BUILD Planning Grant. He also indicated a desire to complete additional research on the utilities at Site #13 while waiting for the grant award results.

Trustee Schainker made a motion to select Site #13 as the “preferred” site and second, to apply for the BUILD planning grant and third to complete an analysis on the utilities, water, sewer, with the City and maybe county, while waiting for the grant results. Trustee Cain seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Operational Contract with CIT Signature Transportation: Director Kyras provided background on CyRide’s contractual relationship with CIT Signature Transportation in the past. She indicated that that board had, most recently, approved a two-year contract with possible extensions and that the current year was the second year of the contract. She then shared the purpose of the latest contractual relationship that led to contracting with CIT – driver shortage, bus shortage, facility space issues – and updated board members on CyRide’s current situation with each, indicating that each issue would no longer be impacted if the service was operated by CyRide.

Director Kyras then shared the results of the recent customer satisfaction survey completed in January 2019 regarding both CyRide and CIT’s performance on the #21 Cardinal route, followed by a cost comparison of CyRide versus CIT’s cost to operate the Cardinal route service. She ended her report with a discussion of the FTA’s requirements and staff time required to comply with the federal monitoring requirements of contracted services, as well as CyRide’s risk. She indicated that, as a result of the information provided, staff’s recommendation was to cancel the contract and not extend or enter into a new contract with CIT.

John Grzywacz, CIT owner, shared his thoughts on the contract. He indicated that he desired to continue a contractual relationship with CyRide and that both organizations had, had a strong history of coordination in the past. He indicated that he had shared his thoughts in two emails to board members over the past several months and that Julie Weeks, from the Ames Convention and Visitor Bureau, also offered her support of this contract. He then discussed his thoughts on several issues, such as the cost comparison and the benefits to the community of continuing the contract.

Trustee Cain asked Mr. Grzywacz for further clarification on how CyRide’s contract benefits the community events. He indicated that CyRide’s contract allows him to be able to operate transit-style buses in the community for other events. He indicated that he could not maintain this fleet of buses without the CyRide contract as he could not

pay for the direct and indirect costs of these vehicles on the revenue generated by just the event service.

Rob Jennings, CyRide's Scheduler/Budget Analyst, indicated that he estimated that CyRide would need to expend \$100,000 more to provide the service under contract with CIT versus CyRide's cost to operate the service. He indicated that the 2019-2020 budget did not include this additional \$100,000.

Trustee Schainker shared his concern regarding the additional \$100,000 cost, but indicated he also understood the community benefit of being able to utilize these buses for events. He asked if there were additional outside revenue sources to fund this CyRide deficit.

Trustee Jeffrey asked how service was provided for Odyssey of the Mind before and Director Kyras said that CIT had provided this service using their fleet of school or charter buses. Mr. Grzywacz said that the Ames Convention and Visitor Bureau's preference is for him to operate the transit-style buses on the event service as they disliked using school buses and the price of motor coaches is cost-prohibitive.

Mr. Grzywacz said he had no doubt that this is a difficult decision for the board, but asked board members to consider the connectivity throughout the community.

Board members asked about the timing of this decision. Director Kyras indicated that it could be delayed as long as June before making a final decision.

President Bibiloni shared his thoughts, indicating that he could not justify the additional cost for the same service level. He was concerned about student fees being used to help subsidize community event service, which did not benefit students.

Trustees Cain and Schainker said if the service is important to the Ames Convention and Visitors Bureau, that the ACVB might be able to help fund CyRide's \$100,000 deficit to operate the service each year. They suggested not voting on a contract at the meeting, which would allow staff time to meet with the ACVB to discuss funding options.

Motion by Trustee Cain that the transit board table discussion on the CIT contract until CyRide staff has had an opportunity to speak with the Ames Convention and Visitors Bureau (ACVB) to see if they would be willing to partner and fund the budget deficit. Trustee Schainker seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Intermodal Facility Tenant Lease – Jefferson Lines: Director Kyras explained CyRide's responsibilities for tenant leases at the Ames Intermodal Facility. She shared that this lease was expiring on June 30, 2019. She then indicated the changes in the new proposed contract with Jefferson Lines - a five-year contract, language regarding the

Producer Price Index, exclusion of Arbor Street as a route to the facility and date changes. She stated that the tenant rate increased 2% for next year.

Trustee Cain asked for further explanation of the PPI. Director Kyras explained the methodology used to calculate an increase in the contract, stating that the contract included a maximum annual increase of 3%. She indicated that the PPI increase was 4% this past year. A discussion on the appropriate percentage increase ensued.

Trustee Cain asked whether a PPI of 4% and setting a lower rate at 2% set precedence. Director Kyras shared that historically, the PPI has never been this high, and that she believed setting the rate at the maximum 3% could cause tenants to decide to not lease space at the facility. Trustee Schainker shared his thoughts, indicating that historically the increase has been around 2%.

Trustee Jeffrey made a motion to approve the Ames Intermodal Facility Commercial Tenant five-year lease with Jefferson Partners. And Trustee Nelson seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Surface Transportation Block Grant (STBG) Program Funding 2022-2023: Director Kyras shared past board action in requesting STBG funding from the Ames Area Metropolitan Planning Organization (AAMPO), indicating that CyRide has received \$225,000 per year for the last three years to assist in purchasing buses. She indicated that this funding would help CyRide achieve its goal of purchasing four additional articulated buses to operate on the #23 Orange route, as these vehicles are more costly.

Trustee Cain made a motion to approve a grant request of \$225,000 in bus capital funds from the Ames Area Metropolitan Planning Organization in STBG federal funds for the 2022-2023 year. Trustee Jeffrey seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Transit Director's Report:

1) Radio System Funding Shortfall: Director Kyras told the transit board that she had hoped to have the results of the Volkswagen grant award for this meeting; however, these awards had not been made. She indicated that this information was needed to identify all possible funding options. She indicated that this issue would be included on the April or May transit board agenda.

2) Automated Annunciator Project: Director Kyras indicated that CyRide staff was working on a multi-year technology project to install annunciators on buses to announce the next bus stop location as a demonstration project and recently completed this demonstration project, but was not satisfied with the product. Additionally, staff was informed that its current GPS vehicle locator equipment will not be supported after December 31, 2019. CyRide staff will combine these two

projects and distribute a Request for Proposal (RFP) for a combined technology project.

- 3) **CyRide Ridership:** Director Kyras shared her thoughts on CyRide’s current year ridership, indicating that ridership would be substantially lower due to several unique situations this current year – declining ISU enrollment, longer winter break, cancellation of classes in January and ridership decline due to land use changes. As a result she anticipates CyRide ridership could be between 6.1 and 6.2 million riders this year compared to 6.5 million last year. She indicated this large ridership decline could have an impact on future federal and state funding.

Trustee Items:

Trustee Schainker stated that with Sheri Kyras’ retirement March 29, 2019 and until the director selection process is completed, the transit board will need to appoint an Interim Director. Trustee Schainker recommended appointing Barbara Neal to the interim position.

Trustee Schainker made a motion to hire Barbara Neal as the Interim Director at an annualized salary of \$118,000 beginning April 1, 2019 until a Director is hired. Barbara Neal will work with management staff and following the IPERS guidelines, plans are to hire Sheri Kyras as a consultant to provide the best service through the interim period. Trustee Schrader seconded the motion. (Ayes: Six. Nays: None.) Motion carried.

Next Meeting Dates/Times:

- March 15, 2019 – noon – Conference Call
- April 11, 2019 – 4:15 pm – potential short meeting – could be a conference call
- May 9, 2019 – 4:15 pm
- June 13, 2019 – 4:15 pm
- July 11, 2019 – 4:15 pm

Adjourn: Trustee Jeffrey made a motion to adjourn the meeting and Trustee Cain seconded the motion. The meeting was adjourned at 6:33 P.M. (Ayes: Six. Nays: None.) Motion carried.

Juan Bibiloni, President

Joanne Van Dyke, Recording Secretary