

COUNCIL ACTION FORM

SUBJECT: TEN-YEAR AGREEMENT FOR CYRIDE TRANSIT SERVICES

BACKGROUND:

CyRide's three funding agencies (City of Ames, Iowa State University and Government of the Student Body) have entered into six, five-year agreements for joint transit services. The current agreement became effective on July 1, 2006 and will expire on June 30, 2010; therefore, a new contract will need to be implemented for CyRide services to continue past this expiration date.

The current agreement for transit services addresses the following issues:

- Purpose of the agreement
- Budgeting process to be used
- Payment of agreed level of contribution
- Agreement duration
- Liability responsibility
- Disposition of property

Two changes are proposed in the new agreement. These changes are as follows:

- **Agreement Duration** – The current agreement is for a five-year period. The new agreement is for ten years. As this is currently one of the shortest duration intergovernmental agreements within the City, it was deemed desirable to lengthen its duration.
- **Liability Responsibility** – The Federal Transit Administration has recently determined that CyRide is the contracting agency for federal grants as opposed to the City of Ames; therefore, language has been added to clarify CyRide's role as an **agency of the City of Ames**.

Signatory to the agreement are: Iowa State University, Iowa State Board of Regents, City of Ames, Transit Board of Trustees and ISU Government of the Student Body (GSB). The new agreement has been approved by the Transit Board of Trustees and GSB. If approved by the City Council, it will then be placed on the Board of Regents April meeting agenda.

ALTERNATIVES:

1. Approve a new transit agreement for a period beginning July 1, 2011 through June 30, 2021, contingent upon approval by Iowa State University and the Iowa Board of Regents.
2. Do not approve a new agreement to provide joint transit services.

MANAGER'S RECOMMENDED ACTION:

For approximately 30 years, CyRide has provided superior transit service to the residents of the Ames and ISU communities. The tri-partite arrangement between the City of Ames, Iowa State University, and the Government of the Student Body has provided CyRide with excellent support and allowed for many efficiencies in operation over the years. The agency has grown to become a service which provides an average of over 5 million rides per year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby entering into a long-term agreement for shared responsibility for transit services in the City of Ames.

**AN AGREEMENT FOR JOINT ACTION IN SUPPORT
OF TRANSIT SERVICES IN THE CITY OF AMES**

THIS AGREEMENT, made and entered into effective the first day of July, 2011 by, between and among IOWA STATE UNIVERSITY (hereinafter referred to as "University"); the GOVERNMENT OF THE STUDENT BODY OF IOWA STATE UNIVERSITY (hereinafter referred to as "GSB"); and the CITY OF AMES, IOWA (Hereinafter referred to as "City").

WITNESSETH:

1. PURPOSE

1. It is the purpose hereof to establish that the City, the University, and GSB do agree, each with the other, to participate as hereinafter provided in the support, operation and utilization of a public transit system in the City of Ames, Iowa under the management, control and governance of the Ames Transit Agency Board of Trustees.

2. BUDGET FOR TRANSIT SERVICES

1. It is agreed by the parties hereto that the budget for transit services hereunder, and the parties' contributions thereto, from July 1, 2011 to June 30, 2012 is as shown in Appendix A attached hereto.
2. It is further agreed that the parties hereto shall agree each year, prior to January 21, upon a budget for transit finances for the ensuing fiscal year. Said budget shall be in two parts.

Part I shall show the Transit Improvement budget as follows:

1. Estimated revenues, divided as follows:

- (1) Federal and State grants.
- (2) Contribution from the City
- (3) Contribution from the University
- (4) Contribution from the GSB
- (5) Miscellaneous revenues

2. Estimated expenditures divided as follows:

- (1) Services
- (2) Supplies and materials
- (3) Equipment
- (4) Real estate and improvements

Part II shall show an operating budget as follows:

3. Estimated revenues divided as follows:

- (1) Federal and State grants
- (2) Contribution from the City
- (3) Contribution from the University
- (4) Contribution from the GSB
- (5) Fares, advertising and miscellaneous

4. Estimated expenditures

- (1) Personnel Services
- (2) Contractual
- (3) Commodities
- (4) Capital
- (5) Other

c. The Ames Transit Agency shall cause such a proposed budget to be submitted not later than the first day of January each year, to the Ames City Council, the University Administration and the ISU Government of the Student Body. The final decisions of the Ames City Council, the University Administration and the GSB shall be reported back to the Ames Transit Agency Board of Trustees which shall adjust the budget if necessary to conform to the level of contribution available from each party hereto. If either the City, University, or GSB fixes its contribution at less than the amount requested by the Ames Transit Agency Board of Trustees, the contribution of the others shall be decreased proportionately, unless the others shall decide to pay a larger proportion.

d. Should any budget established hereunder prove, after operational experience, to be demonstrably inequitable to any party or parties hereto, redress shall be accomplished by credits and adjustments in the next subsequent budget.

e. Payment of the agreed level of contribution by the GSB is to be made from student fees assessed for that purpose. Therefore, it is recognized that, due to the enrollment fluctuations, there will always be some disparity, plus or minus, between the amount of the GSB contribution budgeted and the sum actually realized from student fees for that purpose.

- (1) GSB shall have no liability or carry-over debt in subsequent years because of fees being less than the budgeted amount.
- (2) However, when fees are collected in an amount exceeding the agreed level of contribution the excess shall also be paid over to the Ames Transit Agency to be retained as a credit to a reserve account. Any such amount shall be invested at interest and interest earned credited to the reserve account.
- (3) Funds in the said reserve account shall be used by the Ames Transit Agency to offset any deficiency of revenue from student fees for the GSB contribution. Should the amount in such reserve account ever be, in the judgment of the Ames Transit Agency Board of Trustees, substantially greater than any reasonably foreseeable deficiency of revenue aforesaid, the reserve fund may be drawn upon by the Ames Transit Agency to expand or enhance transit services.

- (4) However, any considered expenditure of funds in the reserve account by the Ames Transit Agency, other than to offset a fee revenue deficiency, must be approved by a majority vote of the GSB Senate.

3. ADMINISTRATION

- a. The Administration of this agreement shall be by the Ames Transit Agency Board of Trustees, an administrative agency of the City of Ames, Iowa, organized and existing pursuant to the provisions of Chapter 392 Code of Iowa, 1985.

4. DURATION

The duration of this agreement shall be ten years beginning on the first day of July, 2011 and ending on the thirtieth day of June, 2021. During this lease period the parties shall begin the process of review, evaluation and planning that will conclude in a decision on continuing joint support of a public transit system after the expiration of this agreement.

5. PROPERTY

All property, real and personal, hereinafter acquired for the purpose of implementing this agreement shall be held in the name of the City of Ames or the Ames Transit Agency, an administrative agency of the City of Ames, Iowa, and acquired and disposed of only in accordance with the policies, procedures and laws pertaining to the said City of Ames, Iowa.

6. LIABILITY

Any liability for any damage, loss, obligation, claim or demand of any kind whatsoever, directly or indirectly resulting from or arising out the operation of this agreement, including the operation of the aforesaid transit system, which is not compensated by insurance, bond, or other indemnification, shall be shared equally by all of the parties to the agreement to the extent permitted by law.

7. DISPOSITION OF PROPERTY ON TERMINATION

As soon as practicable after termination of this agreement, the City, University and GSB shall dispose of all property acquired under this agreement, including surplus funds, in an equitable manner based upon the proportion of each parties pecuniary contribution at the beginning of and during the course of this agreement. However, it is expressly understood and agreed that in recognition of the transit buses of the City and of ISU used by the Ames Transit Agency, but not acquired hereunder, there shall be excluded from the property to be disposed of and distributed on termination, eight (8) buses then selected by the City, said buses to be the property of the City and one bus to be selected by ISU, said bus to be the property of ISU. Also, it is expressly understood and agreed that any balance in the "reserve fund" provided for under paragraph 2e, including the interest earned on the investment thereof, will be paid over to and become the property of GSB. If no agreement as to disposition of remaining assets is reached within six months of termination of this agreement, the City, University and GSB shall, within 30 days thereafter, each appoint some person as its representative, and the Ames Transit Agency Board of Trustees shall appoint two additional persons, and these five people shall prepare and recommend a complete plan for the disposition of all property acquired hereunder, and such plan shall provide for the continuation of the use of the property for a transit system in the City of Ames, if practicable.

IN WITNESS WHEREOF the parties hereto have caused this instrument to be signed by their authorized representatives as of the date first above written.

UNIVERSITY

By _____
Warren Madden, Vice President

CITY OF AMES

By _____
Ann Campbell, Mayor

ATTEST:

By _____
Diane Voss, City Clerk

GOVERNMENT OF STUDENT BODY

BY *Luke Roling*
Luke Roling, President

AMES TRANSIT AGENCY BOARD OF TRUSTEES

By *Robert Anders*
Robert Anders, President

IOWA STATE BOARD OF REGENTS

BY _____
Robert Donley, Executive Director