

Regular Board Meeting Minutes

DATE: Monday, May 5, 2008

PLACE: 4001 I-75 Business Spur
Sault Ste. Marie, MI 49783

MEMBERS PRESENT: Rodney Richards Frank Sasso
Ted Postula Dennis Robinson

MEMBERS ABSENT: Aaron Hopper

ADMINISTRATIVE STAFF PRESENT: Chuck Moser Akemi Gordon Steve Soule
Lynda Schexnayder Lyn Rairigh James Dunn, Attorney

ADMINISTRATIVE STAFF ABSENT: None absent

OTHERS PRESENT: See attached sign in sheet.

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I. - II. CALL TO ORDER/ROLL CALL

The meeting was called to order at 4:00p.m. by Chairman Sasso. All directors were present with the exception of Aaron Hopper.

III. PUBLIC COMMENTS

During Public Comments Mr. Knoll asked Chairman Sasso if he intended on letting Mr. Postula sit in on the meeting. Chairman Sasso asked Mr. Knoll why wouldn't he (be allowed). Mr. Knoll stated, "well because here are your own words" "Sasso responded...we run a check on a regular basis if we catch anyone stealing even a nickel". Mr. Knoll continued..."okay here is his plea of guilt, so it is up to you now, I guess, whether you're going to keep your word." Chairman Sasso thanked Mr. Knoll for his comments. Mr. Knoll continued..."I'm asking a question. Now what are you going to do?" Chairman Sasso explained that he was not going to issue a response and that he is not required to.

Captain Dan Cairns brought to the board's attention an article and picture in the Evening News of Tim Switzer receiving an honor for volunteer group of the year with USCG.

Jesse Knoll stated..."the Office Manager and Secretary in order to be able to keep, take, and record minutes must be sworn in every year by the County Clerk...so if they're not, they should...Earl Kay put that one out."

IV. APPROVAL OF BOARD MINUTES –April 7, 2008

With regard to Regular Board Meeting Minutes for April 7, 2008; **IT WAS MOVED** by Director Richards; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS**. Motion carried.

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V. FINANCIAL REPORT - P.E. March 31, 2008

BUSSING

Finance Director Gordon reported Chippewa County's rider ship is up 501 or 2% for the year. Just in the month of March it jumped 475 passengers. Luce County's rider ship is suffering with a loss of 1,262 passengers for the year or a 25% decline. Most of this can be attributable to contract fares where agencies have cut their program hours. It's not just EUPTA that has seen a decline in this area of service; other agencies have seen a reduction in passengers as well. Gordon reported we will have to keep our eye on service hours in Luce County.

FERRIES

Gordon reported vehicle traffic for the month of March is down almost 1,200 and passengers are down a little over 2,100. YTD we are down 1,174 units and 7,226 passengers. Drummond and Sugar's vehicles are down for the year. Neebish is up a little over 1,200 for the year.

Gordon distributed and went over revenue and ticket graphs.

VI. DIRECTOR'S REPORT

BUS SYSTEM

Director Moser reported attending the 22nd Annual Meeting for the Michigan Transit Pool on April 25th. A vacancy which was created by a retirement for the office of Vice President was filled by a former Executive Committee Member of the Pool. Ray Leach who recently was hired as Executive Director of Charlevoix County Transit after about a year's absence from the industry, has a good deal of experience especially in finance, and will be a very good asset to the pool. He has also become a good personal friend to both myself and Akemi over the past 7 or 8 years. Our annual audit was clean, not only from our outside audit, but the Bureau of Financial and Insurance Services conducted a several month exhaustive review and gave us "a clean bill of health" as well. Our current assets in cash and investments are approximately 8 million dollars and this takes into account both the liability trust as well as the direct property damage trust. The goal of our investment portfolio is to have enough liquidity in our investments for operations, i.e., claims reserves, and to operate the day-to-day functions, and also to be safe in terms of risk. Our investments typically grow at an annualized rate of about 5%.

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John Drury was here last week to look at vehicle maintenance policies and record keeping which he went over with Lyn.

FERRY SYSTEM

Moser reported Drummond Island Ferry will continue with their winter schedule until further notice in an effort to save money.

Moser reported with regard to Neebish Island Ferry Service; after the arrival of the Mackinac Islander (our old vessel Drummond Islander I) last Thursday, the Neebish Islander was brought up to MCM for dry-docking. It was pulled out on Friday. A thorough inspection indicates that necessary hull repairs will be somewhat more extensive than what we had hoped for. The original estimate as far as length that the vessel would be out of service was 8-10 days. Moser does not have a more accurate guess just yet. Moser reported working hard to impress upon the USCG that we need to get the vessel back into service as quickly as possible.

Moser reported TWIC deadline extension (April 15, 2009). Although the TSC has extended the enrollment deadline for TWIC, most of our employees that possess a Merchant Mariners Document have either received their card or are in the process of waiting to go in and pick up their card.

Moser reported he has received a request from the Detour Museum to convert the furnace to electric in an effort to save money there. There was a short discussion. It was decided to approve this providing all the proper permits are in order.

VII. ATTORNEY REPORT

Attorney Dunn went over various committees that have been appointed that deal with ACT 51. He gave a brief explanation of how these committees affect EUPTA. He reported there are no changes proposed for how the ferries are funded at 50%. There are other ferries that receive money also.

Dunn discussed briefly public transit and high gasoline prices.

Dunn is hopeful that federal funds will begin to become a bigger source of revenue for us eventually.

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VIII. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Richards; **SUPPORTED** by Director Postula to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 4:40pm. The next meeting was scheduled for Monday, June 2, 2008, at 4:00p.m.

Mr. Aaron Hopper, Sec. /Treas.

Prepared By: Lynda Schexnayder