

Regular Board Meeting Minutes

DATE: Monday, November 1, 2010

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

MEMBERS PRESENT: Ted Postula Jack Kibble Frank Sasso
Dennis Robinson Rodney Richards

MEMBERS ABSENT: None absent

**ADMINISTRATIVE
STAFF PRESENT:** Chuck Moser Akemi Gordon
Lynda Schexnayder Jim, 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.

III. PUBLIC COMMENTS

Jesse Knoll questioned why the Election of Officers was not reported in the October Minutes. It was noted and checked that this took place in September and was reported in the September minutes.

Jesse also complimented the Sugar Island crew on keeping the boat running when they have problems.

IV. APPROVAL OF BOARD MINUTES –October 4, 2010

With regard to Regular Board Meeting Minutes for October 4, 2010; IT **WAS MOVED** by Director Richards; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS**. Motion carried.

V. FINANCIAL REPORT-P.E.-September 30, 2010

BUSSING

Finance Director Gordon reported total revenue was up 2.67% which includes the onetime 2% increase in federal operating assistance, the commission on the Indian Trails tickets sales, and a slight increase in the JARC grant. Fares actually decreased approximately \$8,500 so the increase in the other areas certainly helped offset this.

Overall expenses increased less than 1%. The biggest decrease in expenses is the insurance line item. This fiscal year we did not have to pay into the insurance risk pool for the retrospective adjustment.

Passengers decreased by 4,456. Chippewa County experienced a decrease of 5,875 and Luce County's passengers increased by 1,419.

The rural bus system ended up having a pretty decent year. This will allow us to start building up our retained earnings for the future. We had used up almost all of our retained earnings in prior years when the bus system was really struggling. Hopefully we can begin to build a "healthy" retained earnings.

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FERRIES

Gordon reported the ferry system as a whole ended up with a surplus of just under \$60,000. Like the rural bus system in prior years we had used up most of our retained earnings so now is the time to start building that back up. Revenue increased 1.55% but the source of the revenue was from the state operating assistance. Expenses increased 5.88%. Any time expenses increase state operating assistance will also increase. Fares decreased 1.61%.

Gordon reported the mechanics wages are allocated based on their actual hours spent at the various locations. About 76% of their time is spent on the ferries and docks, with the remaining time spent in the bus garage and building upkeep. They did spend a lot more time at Neebish this year, so when looking at Neebish's income statement, that line item will show a much larger increase than the year before. Sugar's wage line item increased because a year ago we were getting reimbursed for wages on a workman's compensation claim and the most current fiscal year end we were not.

Gordon indicated that an actuary will need to be prepared for the post retirement health fund for 9-30-10. This actuary is prepared every three years.

VI. DIRECTOR'S REPORT

Director Moser presented and recommended approval of MDOT Project Authorization 2007-0204/Z22 FY 2011 Section 5316/Job Access and Reverse Commute Program in the amount of \$21,296; \$10,648 being Federal and \$10,648 being MDOT. **IT WAS MOVED** by Director Robinson; **SUPPORTED** by Director Postula to approve said resolution. **UNANIMOUS**. Motion carried.

Moser presented and recommended approval of MDOT Revised Project Authorization 2007-0204/Z5/R2 FY 2007 Section 5309 Earmarks to extend the authorization term by eight months to allow the AGENCY sufficient time to complete the project in the amount of \$62,700; \$50,160 being Federal; and \$12,540 being State. **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Robinson to approve said resolution. **UNANIMOUS**. Motion carried.

BUSSING

Moser reported as one of the most active members of the "DRIVE MI" coalition, MPTA is requesting all transit agencies in the state to show up at the capital on November 30th for one big push to get legislation passed in the house. The bill would be in line with the recommendations made by the Transportation Funding Task Force (TF2) and would enhance transportation funding

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by adding an increase in the gasoline tax. The legislation also would call for an equal tax on Diesel fuel. When the last fuel tax increase went into effect, there became a gap of 4 cents between diesel and gasoline.

FERRIES

Director Moser reported Ryba Marine has been paid in full for removing and replacing the piling that was damaged at the Neebish Island operation. Our insurance carrier agreed to cover the loss (minus deductible of \$2,500) and will subrogate against Purvis Marine, LTD who caused the damage. It is possible that we could get all or part of our deductible back, minus costs of recovery.

Moser gave an update of incident of October 18, 2010. Fortunately there were no serious injuries as a result of the Sugar Islander II hitting the dock on the Sugar Island dock. As far as third party property damage, Moser is hopeful that costs will be limited to less than \$20,000. Moser is waiting for the USCG report and the Marine Survey. Again, repairs will be covered for both the vessel and third party property damages (less our deductible). We are in the process of coordinating claims now for vehicles that had damage, and have made temporary repairs to the vessel. Any other repairs that may be found in the survey will be addressed in the spring when Sugar II goes in for its 5 year hull inspection. There may be some cropping and re-plating necessary.

Dan Cairns spoke briefly on the issues with regard to ice breaking in the winter months. Moser reported the USCG has offered to come in and go over these issues. It was suggested that a Captain from each ferry system be in attendance as well.

Moser gave an update on the replacement of signs at the Sugar and Drummond ferry docks. There was also discussion regarding various runs that are not utilized.

There was some discussion regarding the fuel surcharge at all three ferries. After much discussion **IT WAS MOVED** by Director Richards; **SUPPORTED** by Director Postula to roll-in the fuel surcharge to the price. **UNANIMOUS**. Motion carried. In order to save money, the tickets on hand will continue to be stamped as they have been until more need to be ordered.

VII. ATTORNEY'S REPORT

Attorney Dunn briefly discussed the Legislature starting back on Wednesday, the gasoline tax and the changes in the state election.

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Attorney Dunn spoke briefly regarding the Wayne County Port Authority (passenger only) water ferry.

Dunn spoke briefly on the ongoing issues with the Mackinac Island ferries and the possibility they may be looking for a subsidy.

VIII. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Richards to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 5:15 pm. The next regular board meeting is scheduled for Monday, December 6, 2010 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder