

Regular Board Meeting Minutes

DATE: Monday, May 2, 2011

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

MEMBERS PRESENT: Ted Postula Jack Kibble Frank Sasso
Dennis Robinson Michael Herbst

MEMBERS ABSENT: None absent

**ADMINISTRATIVE
STAFF PRESENT:** Chuck Moser Akemi Gordon
Lynda Schexnayder 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 4:05p.m. by Chairman Sasso. All Directors were present with the exception of Director Herbst (who was a late arrival).

III. PUBLIC COMMENTS

Dan Cairns (Sugar Islander Head Captain) reported they have begun the 12 hour shifts and are getting acclimated to the longer hours.

IV. APPROVAL OF BOARD MINUTES –April 4, 2011

With regard to Regular Board Meeting Minutes for April 4, 2011; **IT WAS MOVED** by Director Robinson; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS**. Motion carried.

V. FINANCIAL REPORT-P.E.-March 31, 2011

BUSSING

Finance Director Akemi Gordon reported an increase in both Chippewa and Luce County for the month of March. The price at the pump has a direct impact on our ridership. The increase in fare revenue for our bus system is offset by the increase in the fuel prices that we in turn pay for. Through March, we've spent 36% or \$14,500 more in fuel than a year ago.

Gordon went over the hand out with regard to the Michigan Transit Pool and the savings EUPTA has had over the previous years with regard to fleet insurance.

FERRIES

Gordon reported March was not a good month for any of the ferries. In total we were down 3,666 vehicles/units and 6,762 passengers. All three ferries experienced a decline in vehicles and passengers. The financial statements through March are showing that we are over \$200,000 in the red, which is \$91,000 more than a year ago.

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Gordon distributed and recommended approval of payment to Maritime Escort (Neebish Ferry System) in the amount of \$11,985.48. **IT WAS MOVED** by Director Robinson; **SUPPORTED** by Director Postula to approve said payment. **UNANIMOUS**. Motion carried.

VI. DIRECTOR'S REPORT

Director Moser presented and recommended approval of Resolution Project Authorization 2007-0204/Z11/R2 FY 2008 Section 5309 Earmarks/High Priority Project; purpose of Revision 1 is to provide additional funding of \$39,300 and an additional \$7,860 in toll credits. The purpose of Revision 2 is to reduce state funding, add local funding, and adjust funding among the line items. **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said resolution. **UNANIMOUS**. Motion carried.

Director Moser reported the week before last Rep. David Agema, chairman of the House Appropriations Subcommittee on Transportation had enough support to pass a transportation budget out of committee that would be very damaging to transit. Then last week after a lot of effort by MPTA and some of our partners, including the Road Builders, the County Road Association, and the state chamber, he came back with an amendment that would restore about \$10 million of the original \$20 million that his first bill would have taken from the bus operating. He still wants to divert \$20 million but the new way would be to take 10 from operating and 10 from capital. The diverted funds would go to the state and counties for road building purposes. MPTA will continue to press for a complete restoration of funding which was recommended in the Governor's budget, when it gets to the full house for consideration, and have bill sponsors lined up to this effect. I have not heard much detail in regard to what the Senate is inclined to do in regard to the budget, maybe Jim can let us know what he has been hearing if anything during his report.

Moser reported the State Transportation Commission met last week with one member, Commissioner Wahby, being absent for the second month in a row. He has been quite ill although I'm told that he will be back. The highway side of MDOT presented their five-year plan which was sort of a "doom & gloom" report that laid out the work being planned for the insufficient level of funding that currently can be counted on. Knowing that the five-year plan was time sensitive and needed to move forward, I moved to approve it. It was supported; however, did not pass as Commissioner Atkins felt that the Transportation Funding Task Force (TF2) document should have been made part of the five-year plan. After it was explained that to date there has been no action taken in regard to the TF2 recommendations, but that MDOT would see that a copy of the report would accompany the five-year plan document as it is distributed, the motion was called again and passed.

Moser gave an update on the St. Mary's River Dock Project; FHWA created a bit of a problem for us over the past month. When they learned that EUPTA was planning on doing the bid

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letting on the dock projects, they contacted MDOT and became insistent that MDOT would have to conduct the bid letting. This would put us way off schedule; not only in terms of our short construction season, but the federal funds must be utilized by Feb., 2012. Chuck Lindstrom immediately made an effort to explain that EUPTA had let bids before using Federal Funding for vessel construction and dock work. This really didn't make much difference to them, they (MDOT) was at that point preparing to take over the bid letting. I contacted one of Chuck's Supervisors and let her know that we were already prepared to issue the RFP, plus we had prior approval from MDOT specifically approving us to proceed accordingly. I also reiterated that at this late date, I was not willing to risk losing the project, and was willing to go as high up as necessary to get the project back on track. This prompted an internal meeting of FHWA/MDOT, and is now resolved with us doing the bid letting, subject to MDOT's review (which we were already planning anyhow...). Today, I went over DEQ permit status with AECOM/DEQ.....Sugar and Neebish should be pretty well cleared for permits and still waiting on some tests@ Drummond. Army Corp permit for Sugar Island...received letter today that permit will be granted as long as DEQ authorization comes through.

Moser gave an update on Dry-docking Project....The Sugar Islander and Drummond III are both due for their mandatory Five-year hull inspections. I have issued an RFP for this project and anticipate responses from MCM, Basic Marine out of Escanaba, and Bay Ship out of Sturgeon Bay. Instead of going through the process of requesting a waiver to "sole source" this project with MCM, I agreed with MDOT to request proposals. The reason that I agreed is because MCM's cost has been getting quite high. The proposals are due on May 20th.

Moser reported with regard to Drummond IV; the new heads have been installed on the Starboard Engine. Drummond III was utilized during the down time with no slow down in service.

Moser reported about two weeks ago we had a problem with the main cooling system for Sugar II which caused us to be out of service for about half a day.

VIII. ATTORNEY'S REPORT

Attorney Dunn reported with regard to Department of Civil Rights complaint/discriminatory price; noting the need to make sure prices are appropriate. Dunn reported at the next meeting we need to pass a policy on fares for buses. EUPTA's bus system is a scheduled deviated route service. Dunn will bring Handicap/elderly fare policy back to the next meeting. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula that the Board understands the need to adopt a formal policy. **UNANIMOUS.** Motion carried.

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IX. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 4:50 pm. The next regular board meeting is scheduled for Monday, June 6, 2011 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder