

Special Board Meeting Minutes

DATE: Tuesday, July 26, 2011

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

MEMBERS PRESENT: Ted Postula Jack Kibble
Frank Sasso Dennis Robinson

MEMBERS ABSENT: Michael Herbst

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 3:00p.m. by Chairman Sasso. All Directors were present with the exception of Director Herbst.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –July 6, 2011

With regard to Regular Board Meeting Minutes for July 6, 2011; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS.** Motion carried.

V. FINANCIAL REPORT-P.E.-June 30, 2011

Finance Director Gordon presented and recommended approval of the MERS Officer Delegate form. MERS annual meeting will be held in Acme at the end of September. Travel and meeting expenses are covered by RTAP grant (no expense to EUPTA). **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said delegate. **UNANIMOUS.** Motion carried.

Finance Director Gordon recommended pre-approval of Maritime Escort monthly payment. No detail available yet due to early call of meeting. Detail will be provided at next meeting. **IT WAS MOVED** by Chairman Sasso; **SUPPORTED** by Director Robinson to pre-approve said payment. **UNANIMOUS.** Motion carried.

BUSSING

Finance Director Gordon reported YTD we have a 7% increase in fares and passengers. 2.85% increase in total revenue from all sources; 4.25% increase in total expenses.

FERRIES

Gordon reported 2% increase in vehicles and 1% increase in passengers for the month of June. YTD vehicles have decreased 4% with passengers down 6%. Total fares are down 3% or just over \$27,000 from the year before. Total expenses are up 7.6% or \$141,979.

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Drummond Island showed increases in both vehicles and passengers, while Sugar and Neebish carried less than a year ago.

With regard to the budget and Bussing; Gordon reported the fare box revenue is budgeted with current ridership numbers and current fare prices. The federal operating assistance is calculated at 16% of total eligible expenses. The State operating assistance is budgeted using our floor amount. Our JARC funding has tentatively been approved for \$30,070, which is \$8,774 more than we have been receiving. For several years we had applied for additional funding to increase the service hours on the Curtis run. Currently we are providing 15-20 hours per week. Gordon will be calculating how many more additional hours we will be able to provide with the increase in our contract.

With regard to the budget and Ferries; Gordon reported the "draft" budget is currently showing a deficit. We cannot adopt a deficit budget. Items that will have to be considered; Health insurance premiums increased between 18-22%; additional \$100,000 we have been putting in the health fund from switching to MERS health back in 2006 will have to be considered; GASB 45-Other post employment benefits (OPEB). Additional liability will have to flow through the financial statements and use up our retained earnings.

VI. DIRECTOR'S REPORT

Director Moser reported MPTA at Moser's request has issued an op/ed article on Governor Snyder's leadership in regard to the most recent transportation budget. The Governor proposed the strongest budget recommendation for public transportation services in more than a decade. Moser was not sure how many local papers have ran the article to date, but at least MPTA is on record in regard to the issue, and between Attorney Dunn and Director Moser, they will make sure that the administration is aware of the MPTA article.

Moser presented and recommended approval of resolutions that will enable us to extend the expiration dates for 12 additional months for the two following MDOT contracts; 2007-0204/Z9 **MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said resolution; **UNANIMOUS**; and 2007-0204/Z11 **MOVED** by Director Robinson; **SUPPORTED** by Director Kibble to approve said resolution; **UNANIMOUS**. Motion carried. The purpose of both resolutions is to revise the contracts to allow sufficient time to complete the planned work in each project.

Moser reported last winter MDOT wanted us to adopt a new Master Agreement. After Attorney Dunn reviewed the new agreement he determined that some changes were in order in regard to retro-active dates within the agreement. Jim has since resolved the issues that he had concerns with and is now comfortable with the document. In order to enter in to the new agreement, we are required to pass a resolution to this effect. Moser recommended that the board take this action. Attorney Dunn will present resolution in his report.

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Moser reported we have finally been busy this month. The hot weather seems to be a good thing in terms of getting people to travel north. We still have a lot of catching up to do. Hopefully tourists will continue to come north.

VII and VIII. ATTORNEY'S REPORT/RESOLUTION (MASTER AGREEMENT)

Attorney Dunn presented and recommended approval of MDOT Contract 2007-0204/Amendment #1 to the Master Agreement which covers FY 2007 through FY 2011. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Robinson to approve said resolution. **UNANIMOUS**. Motion carried.

Attorney Dunn presented and recommended approval of Certified Signature Resolution for MDOT Master Agreement No. 2012-0077. **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said resolution. **UNANIMOUS**. Motion carried.

IX. CONSIDER BID AWARD-"ST MARY'S RIVER FERRY DOCK UPGRADES"

Director Moser introduced Engineer Matt Drewek (AECOM) who gave an explanation and update of the bid process with regard to the St. Mary's River Ferry Dock upgrades. Matt reported 5 proposals were submitted. With regard to Qualifications; two of these proposals failed; those being Gerace and Elmers. After a short discussion Matt recommended that Gerace and Elmers be disqualified. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula that these two proposals be disqualified. **UNANIMOUS**. Motion carried.

Matt reported with regard to the three remaining proposals the lowest bid from Roen Salvage was \$1,473,900, which is \$300,000 over budget. The other two bids were from Ryba Marine at \$1,594,000 and Durocher at \$1,849,000. Discussion followed regarding the remaining bids and the order projects will be completed. Sugar Island being first, Neebish Island second and Drummond will be last according to how much money is left over to keep within budget.

Attorney Dunn recommended approval to award contract to the designated low bidder subject to negotiations with the contractor, approval of the engineer and approval from MDOT.

IT WAS MOVED by Director Postula; **SUPPORTED** by Director Kibble to award contract to the low bidder, Roen Salvage. **UNANIMOUS**. Motion carried.

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X. and XI. CANCEL AUGUST EUPTAB MEETING & ADJOURNMENT

Regular meeting scheduled for August 1, 2011 will be cancelled and a special meeting may be scheduled at the Call of the Chair for St. Mary's River Ferry Dock Upgrades if needed. Being no further business to come before the Board, **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to adjourn **AT THE CALL OF THE CHAIR. UNANIMOUS.** Motion carried. Meeting was adjourned at 3:55pm. The next regular board meeting is scheduled for Wednesday, September 7, 2011 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder