

Board Meeting Minutes

DATE: Thursday, November 10, 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

ADMINISTRATIVE STAFF ABSENT: James Dunn, Attorney

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 Director Herbst.

III. PUBLIC COMMENTS

Jesse Knoll reported receiving a lot of phone calls with the recent ferry service interruptions at Sugar Island. He was also concerned with the safety factor with regard to the pile clusters.

Director Moser briefly described the difficulty with regard to getting FHWA and Federal Transit funds to take care of the present pile cluster problems.

Director Moser reported with regard to the service interruptions at Sugar and Drummond during the middle of October. During Sugar II's dry-docking we provided service to the island using Drummond III which has totally different handling characteristics which added to the difficulty in landing the vessel during windy conditions. Even though the winds did not seem to be bad to a lot of our usual travelers, we missed a lot of runs with Drummond III that we probably would have made with the Sugar boat. This was over the course of several days beginning Oct. 15th. We had many calls here from irate people because they were either extremely delayed in getting across, or didn't get across at all. We heard a lot of allegations that our captains are not qualified to operate and frustration at me because I would not over rule a captains decision. The fact that the wind did not appear to be strong enough to validate captain's decisions to suspend service really stirred a lot of people up. In that regard, I had one of our more experienced captains come up to work with our sugar crew to see if he could get them more comfortable with the Drummond boat. The Drummond Captain who has more than 20 years experience handling that boat, and actually learned on that boat couldn't do any better. Making the situation even worse is that we are trying to stay away from the pilings on the downbound side of the mainland slip, which is very difficult.

Moser went over the possibility of using Contingency Funds or Capital Match funds for the pile clusters. A request has been made to MDOT with regard to this potentially dangerous situation. MCM will give us a quote for removal and replacement of that downstream cluster.

At this time Moser gave an update on the St. Mary's River Dock Upgrade Project. AECOM is preparing to "re-let" bids for work at Sugar and Neebish. The Drummond work will be left out this time in an effort to ensure that the bids will come back within the budget. The documents will go out for review, comment and approval first then sent out toward the end of January.

Dennis McKelvie had a complaint regarding the bill received for the Pow Wow held on Sugar Island in July. He also noted that he was told 100 passes were printed, but 200 passes were turned in. Finance Director Gordon gave an explanation of this bill, noting that the discount they received was

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\$1,300 and that the way it is billed has been the same way since 2005. Regarding the 200 passes that were turned in; the Pow Wow committee makes and distributes these. EUPTA has no control over that. Mr. McKelvie stated it will be awhile before they can pay this bill and next year people will be paying their own way.

IV. APPROVAL OF BOARD MINUTES –October 3, 2011

With regard to Regular Board Meeting Minutes for October 3, 2011; IT **WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS**. Motion carried.

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

BUSSING

Finance Director Gordon reported our total revenue was up 4.58% with most of it being the federal operating assistance, which is based on our expenses. FYE 2011 reimbursement rate was 18.5% of eligible expenses. This is a 2% increase from the year before. Also, this is the first year in many years where our state reimbursement has exceeded our floor amount. This too, is based on our eligible expenses. FYE 2011 reimbursement rate was 37.12%; our current reimbursement rate is 36.24%.

The expenses for the bus system increased 10.87%, with the majority of the increase being the fuel line item. Both Chippewa and Luce County ended up with a loss this past fiscal year.

The passenger counts were up in both counties. Chippewa had an increase of 3,537 and Luce had an increase of 354.

FERRIES

Gordon reported the ferry system's had a rough year. Total fares were down a little over \$55,000 and the total expenses were up over \$178,000, with \$104,000 of that being fuel. Another line item with a significant increase was health insurance. We will be looking at different plans during negotiations to reduce our health costs.

Overall, the ferries had a \$123,432 loss.

Gordon reported because our meeting was moved to Thursday, she went ahead and did the transfer for Maritime Escort LLC for the Neebish Island operators in the amount of \$12,488.26.

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VI. DIRECTOR'S REPORT

Director Moser noted most of his report was addressed in the Public Comment section above.

Moser reported he attended Governor Snyder's Transportation Infrastructure Message. The message contained a lot of information. The Governor mentioned his belief that public transit options need to be available, especially in areas that are trying to attract younger people. He spoke about recent efforts to develop high speed rail between Detroit and Chicago. Michigan recently used federal funds to acquire a lot of the right-of-way for this. He is supportive of commercial shipping and feels that ports are underdeveloped, and also mentioned that he supports building a new lock here. The Governor also feels that PA51 is not current with the times that we are in and favors over time to re write it and make it much simpler. He also wants to allow consolidation in regard to county road commissions, and or move county road operations and administration in under county commissions. He also would like to see services be bid out, to other jurisdictions that can demonstrate that they can do the work sufficiently and at less expense. He would also like to see private companies be able to submit proposals for road maintenance as well. Bolger (R) in the House has sponsored a bill, and Hamels from Genessee Co. has sponsored a bill. It appears that the legislation might garner some support as there will be some serious incentives to consolidation.

Moser spoke about new laws with regard to health insurance and the amount employers can contribute and JARC funds. We will need a letter of agreement with the union stating we are invoking Section 9 of P.A. 152.

VII ELECTION OF OFFICERS. IT WAS MOVED by Director Postula; **SUPPORTED** by Director Kibble to keep them the same. **UNANIMOUS.** Motion carried.

VIII. ATTORNEY'S REPORT

No report given; Attorney Dunn absent.

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IX. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Robinson to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 5:30pm. The next regular board meeting is scheduled for Monday, December 5, 2011 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder