

Board Meeting Minutes

DATE: Monday November 4, 2013

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

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

MEMBERS ABSENT: None

**ADMINISTRATIVE
STAFF PRESENT:** Chuck Moser Akemi Gordon
Lynda Schexnayder James Dunn, Attorney

**ADMINISTRATIVE
STAFF ABSENT:** None

OTHERS PRESENT: See attached sign in sheet.

BOARD MEETING

Page 2

November 4, 2013

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

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –October 7, 2013

With regard to Minutes for October 7, 2013; **IT WAS MOVED** by Director Herbst; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS.** Motion carried.

V. FINANCIAL REPORT-P.E.-August 31, 2013

IN GENERAL

Finance Director Gordon reported with regard to RHFV and HCSP; we need to make a decision for an effective date that the MERS HCSP will be effective and the distribution from the trust fund to the HCSP will take place. Gordon recommended a 1/1/14 date. In talking with our health insurance agent, this is the beginning of the Medicare year and it would make a smooth transition to have a 12/31/13 end date with funds transferring on 1/1/14 (or day after because of the holiday). Following a short discussion **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Herbst to liquidate the funds in the RHFV and distribute to the HCSP with the recommended effective date based on the MERS Earned Service Allocation method presented by Tegrit Group. **UNANIMOUS.** Motion carried. Ballot results showed majority wants Earned MERS Service.

Gordon reported one of the items that was in our audit report letter last year was the lack of a policy on updating our signature cards once there has been a change in one of our board members. Gordon handed out a draft for a Signature Card Policy. Following discussion **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Robinson to adopt said policy. **UNANIMOUS.** Motion carried.

BUSSING

Gordon reported the bus system ended up with a loss of almost \$17,000 for the year. Most of it attributable to decreased fares (both contract and regular) because of the decline in ridership. Passenger counts were down 7,226 or 13% compared to a year ago.

BOARD MEETING

Page 3

November 4, 2013

FERRIES

The ferry system also ended up with almost a \$93,000 loss. Fares were down almost \$34,000. Total revenue was \$2,649,193 (this includes RTAP reimbursement) and expenses totaled \$2,742,063.

This may end up being more for bussing and ferries once we determine the OPEB adjustment for this year. Even though a motion was made and passed in an earlier board meeting to end the post-retirement health fund, we still may have a liability for the few months of premiums we are paying until it is completely closed.

VI. DIRECTOR'S REPORT

FERRIES

Director Moser reported with regard to the PVA Great Lakes Region meeting; Washington Island Ferry line hosted this year's Region meeting on Washington Island, Wisconsin. Aside from being a private ferry service, Washington Island is very similar to what we do. They are a non-union shop; however their hourly pay and benefits are comparable. This past year they began providing seasonal passenger only service to a second island (Rock Island). They once owned the "sister ship" to the old Drummond Islander II. Tim Graul designed their latest vessel which was built in Sturgeon Bay in 2003. They use the same engines that we use in Drummond IV. Agenda items at the meeting included a new problem with license renewals for non-twice card MMD holders, New Vessel General Permit (VGP) requirements for certain vessels, kayak safety issues, and Invasive species.

Moser reported two weeks ago the US Fish & Wildlife planted approximately 140,000 lake trout at the DeTour Ferry Dock. Normally the DNR has been running the stocking program, but this past spring a virus went through their fish hatching facility and they decided not to plant.

Moser reported with regard to the fare issue; we have been soliciting input from crewmembers. As soon as we learn the results of our request for 2% funding, we should be able to bring a recommendation to the board indicating potential changes to our fare structure.

BUSSING

Moser reported new contracts with no increases in fares have gone out to Northern Transitions and Pathways.

Moser reported he has been in contact with Mackinac County Transit Authority with regard to their efforts to get something started there.

BOARD MEETING

Page 4

November 4, 2013

VII. ATTORNEY'S REPORT

Attorney Dunn reported the State Budget came out better than expected.

There was discussion of possible grant money regarding the building we are located in. The building, owned by the city, is too big and in need of many repairs.

At this time Chairman Sasso asked for a motion to go into Executive Session to update the board on land purchase. There will be no board action taken during the closed session except to formally open and close the meeting. **IT WAS MOVED** by Director Robinson; **SUPPORTED** by Director Herbst that this board go into Executive Session. A Roll Call vote was taken at 4:50pm...

Director Robinson: yes	Director Herbst: yes	Vice Chairman Kibble: yes
Director Postula: yes	Chairman Sasso: yes	

IT WAS MOVED by Director Herbst; **SUPPORTED** by Director Postula that the board return to general session. A Roll Call vote was taken at 5:00pm...

Director Robinson: yes	Director Herbst: yes	Vice Chairman Kibble: yes
Director Postula: yes	Chairman Sasso: yes	

At 5:00pm Chairman Sasso called the meeting back to order in "General Session".

VIII. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 5:00pm. The next regular board meeting is scheduled for Monday, December 2, 2013 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder