

Eastern UP Transportation Authority

Regular Board Meeting Minutes

DATE: Monday, November 2, 2009

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

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

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.

I. - II. CALL TO ORDER/ROLL CALL

The meeting was called to order at 4:08p.m. by Chairman Sasso. All directors were present.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –October 5, 2009

With regard to Regular Board Meeting Minutes for October 5, 2009; **IT WAS MOVED** by Director Richards; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS**. Motion carried.

V. CONTRACT/AECOM/ENGINEERING

IT WAS MOVED by Director Kibble; **SUPPORTED** by Director Richards to enter into contract with AECOM. Contract is hourly not to exceed \$196,190.79 and will be submitted to State to okay and then go forward. **UNANIMOUS**. Motion carried.

VI. FINANCIAL REPORT-P.E.-September 31, 2009

Finance Director Gordon went over September FYE 2009.

BUSSING

Gordon reported total revenue for 09 was down about ½%. Total expenses were down 3.63%. The rural bus system combined netted a surplus of \$24,936. (A surplus of \$29,989 for Chippewa and a deficit of \$(5,053) for Luce County. The surplus will be added to our retained earnings for future needs.

EUPTA ended up with a decrease in passengers overall of 8% or just over 4,800. The biggest decreases are shown from May to September. This is compared to when gas prices were approximately \$4.50 a gallon a year ago and ridership kind of took off because of it. Now that fuel is somewhat down, more people are driving their vehicles again.

FERRIES

Gordon reported the ferry system ended up with a surplus of just over \$163,000. At the same time last year we had a \$(64,000) deficit. This year's surplus is only about half of what we should have in

our retained earnings. Total revenue was down just under 1% and total expenses were down 9.3%. Overall there was a decrease in vehicles system wide of 1,990 and an increase in passengers of 11,912.

Drummond: Drummond's vehicles were up 720 with a decrease in passengers of 1,850.

Sugar: Sugar's vehicles were down 224 with passengers up 16,756.

Neebish: Neebish's vehicles were down 2,486 with passengers down 2,994.

Chairman Sasso reminded the board that we run at a loss in the winter months. There was some discussion regarding the fuel surcharge that has been in effect for some time. It was questioned whether we need to take the fuel surcharge off and raise the rates in order to meet somewhere in between with the money so that the rates themselves are paying for the whole operation and then if traffic picks up again go back and reduce the rates. It would be easier to take the fuel surcharge off than to reduce all the rates. They are a little more complicated than a fuel surcharge. There was some discussion regarding the uncertainty of fuel prices.

There was also discussion regarding the County last year giving us \$25,000 which was extremely helpful. It was reported this may not be given to us this year and the County would like to see the surcharge come off.

General consensus was if we take the surcharge off; the price of the tickets will have to rise.

It was decided to leave it alone and watch it.

Gordon distributed and went over graphs.

VII. DIRECTOR'S REPORT

BUSSING

Director Moser reported Pathways and Northern Transitions contracts have been sent out for signatures. Hiawatha Behavioral Health contract was received today.

Moser distributed proposal and briefly discussed Indian Trails. MDOT has approved service to Sault Ste. Marie beginning December 1st with a 10% commission offered. Moser would like to get 15% commission. Some discussion ensued. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to authorize Moser to go ahead with this proposal. **UNANIMOUS**. Motion carried.

FERRIES

Moser reported with regard to the PVA Region meeting-recent issues include the much talked about

VGP or vessel general permit which will require vessels of a certain size and type to apply to discharge ballast water into the lake. Generally this applies to commercial vessels over 79' in length and have the capacity to carry ballast water, and are rated at 300 gross tons or over. We are currently exempt as we are not equipped to carry ballast, and we are under the tonnage limit. Moser is keeping an eye on whether there might be further regulations coming through. The impetus behind this is coming from the EPA who to this point in time does not have much authority over marine operations as yet.

Moser updated the board on PVA Legislative issues/positions/actions. There is a proposal (from the Obama Admin.) in this years Coast Guard Authorization Budget that would for the first time charge lockage fees to vessels transiting a lock. PVA has passed a resolution that is against this measure. Another recently passed resolution from the PVA's Board of Directors puts forward our belief that the current version of the NLRB Act is appropriate in its current form and is for not doing away with secret-ballot elections for workers to decide on union representation. The PVA opposes H.R. 1409 and S.560 which is known as the Employee Free Choice Act.

Moser reported the USCG is now pushing the requirement (46 CFR) that prior to each departure that we either communicate verbally to shore or write down passenger count and leave on shore. Moser checked with other operators and they communicate this info using radio (into a recorded or "looped" system). Lyn and Brandon have outfitted each dock with a way for the deckhands to write down the number of passengers and we are currently in compliance with the Coast Guard directive. If this way of keeping track of and recording passengers proves to be a problem, we can buy the necessary equipment to comply by using our radios. We would just have to pick up a special receiver/recorder and figure out where to put it. Moser reported he has found at least two ferry services here in the Great Lakes that do it this way, and they are available to assist in any way. Washington Island and Madeline Island both use this method.

Moser reported the Sugar Island Ferry is now operating with the electronic throttles. Dan Cairns (head captain) gave a short report on how they are working.

VIII. ATTORNEY REPORT

Attorney Dunn had nothing new to report.

IX. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Robinson; **SUPPORTED** by Director Postula to adjourn. **UNANIMOUS.** Motion carried. Meeting was

adjourned at 5:06 pm. The next regular board meeting is scheduled for Monday, December 7, 2009, at 4:00p.m.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder