

Board Meeting Minutes

DATE: Monday, June 4, 2012

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

MEMBERS PRESENT: Jack Kibble Michael Herbst Ted Postula
Dennis Robinson

MEMBERS ABSENT: Frank Sasso

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

ADMINISTRATIVE STAFF ABSENT: None absent

OTHERS PRESENT: See attached sign in sheet.

BOARD MEETING

Page 2

June 4, 2012

I. - II. CALL TO ORDER/ROLL CALL

The meeting was called to order at 4:00p.m. by Vice-Chairman Kibble. All Directors were present with the exception of Chairman Sasso.

III. PUBLIC COMMENTS

Jesse Knoll asked how the repairs to the docks are coming. Director Moser reported he will have this information in his report.

IV. APPROVAL OF BOARD MINUTES –April 30 2012

With regard to Special Meeting Minutes for April 30, 2012; **IT WAS MOVED** by Director Herbst; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS.** Motion carried.

V. FINANCIAL REPORT-P.E.-April 30, 2012

GENERAL

Finance Director Gordon went over Maritime Escort invoice.

Gordon reported the Post Retirement Health Committee has been meeting regarding changing the current plan and going with a HCSP through MERS to save money for both current and future operations. The OPEB liability would eventually diminish over time. With the HCSP, there is no OPEB liability to EUPTA.

BUSSING

Gordon reported overall revenue is up 1.11% with expenses increasing 2.5%.

Passengers have increased 12% or 3,047 in Chippewa County and 6% or 282 in Luce County.

FERRIES

Gordon reported fares have decreased \$3,443 YTD. Ferry operations for the month of April resulted in around a \$3,400 loss compared to almost \$28,000 loss in 2011. We had increased fare collections and reduced expenses compared to a year ago.

BOARD MEETING

Page 3

June 4, 2012

VI. DIRECTOR'S REPORT

BUS

Director Moser gave an update on recently advertised buses and equipment. Moser recommended accepting the bids on two of the buses. There was a short discussion and agreement by the board to accept the bids on these two buses.

Moser reported the Passenger Transportation Division has just informed Transit Agencies throughout the state that they will have to comply with new reporting requirements. This will consist of an initial report which is due by June 30th. Then it will be done on an annual basis.

FERRY

Moser gave an update on St. Mary's River Dock Project; beginning with a pre-construction meeting on May 22nd. There were 15 people present for the meeting which included three MDOT staff, Matt Drewek from AECOM, John Kuemin, representing the prime contractor, and all of the sub-contractors. Steve and Pam Kildal were present as well as were Ken Keeley and Dave Sliter the adjacent property owners on each side of the mainland ferry dock. The meeting lasted about an hour and a half and went quite well. Moser has received everything needed except the bonding from the prime contractor which should be delivered tomorrow. At that point Moser can hand them the notice to proceed. As soon as that is done MCM can submit the request to start purchasing materials. The request will go to AECOM who will be responsible to verify that all materials meet federal requirements.

Moser gave an update on Drummond Islander III; vessel is in dry-dock and all is going well.

Moser reported with regard to Sole Sourcing with the Drummond Islander IV Dry-docking project. For many years we have done our dry-dockings here at MCM. Last year MDOT had a lot of questions on why we were not bidding out our dry-docking projects. When Moser explained that it is much easier, faster and cheaper to do them close by it seemed to fall on deaf ears in Lansing. With the Sugar Islander and Drummond III both up for their 5 year inspections, and being strongly urged by MDOT to bid the work out, we spent time writing up the bid specs and other necessary documents and put both of them up for bids together. We advertised and solicited for bids. As a result we only received two proposals, Bay Shipbuilding out of Sturgeon Bay, WI and MCM. MCM's won easily.

Moser reported the State Transportation Commission will be meeting here in the Sault this month on the 28th.

BOARD MEETING

Page 4

June 4, 2012

Vice Chairman Kibble asked for a motion to go into Executive Session to update the board on labor contracts. There will be no board action taken during the closed session except to formally open and close the meeting. **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Herbst that this board go into Executive Session. A Roll Call vote was taken at 4:30PM...

Director Postula; yes

Director Herbst; yes

Director Robinson; yes

Vice Chairman Kibble; yes

IT WAS MOVED by Director Robinson; **SUPPORTED** by Director Postula that the board return to General Session. A Roll Call vote was taken at 5:08PM.....

Director Postula; yes

Director Herbst; yes

Director Robinson; yes

Vice Chairman Kibble; yes

At 5:08pm Vice Chairman Kibble called the meeting back to order in "General Session".

VII. ATTORNEY'S REPORT

No further discussion.

VIII. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Herbst; **SUPPORTED** by Director Robinson to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 5:10pm. The next regular board meeting is scheduled for Monday July 2, 2012 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder