

# Board Meeting Minutes

**DATE:** Monday October 7, 2013

**PLACE:** 407 W. Harrie Street  
Newberry, MI 49868

**MEMBERS PRESENT:** Ted Postula                      Michael Herbst  
Dennis Robinson

**MEMBERS ABSENT:** Frank Sasso                      Jack Kibble

**ADMINISTRATIVE  
STAFF PRESENT:** Chuck Moser                      Akemi Gordon  
Lynda Schexnayder

**ADMINISTRATIVE  
STAFF ABSENT:** James Dunn, Attorney

**OTHERS PRESENT:** See attached sign in sheet.

## **BOARD MEETING**

**Page 2**

**October 7, 2013**

### **I. - II. CALL TO ORDER/ROLL CALL**

The meeting was called to order at 4:15p.m. by Director Robinson. All Directors were present with the exception of Chairman Sasso and Director Kibble. Attorney Dunn was also absent.

### **III. PUBLIC COMMENTS**

There were no public comments.

### **IV. APPROVAL OF BOARD MINUTES –September 4, 2013**

With regard to Minutes for September 4, 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 went over the 2014 Proposed Budgets for the Rural Bus and Ferry Systems.

The budgets are based on current year revenues but with an approximate 11% increase in overall expenses. The bus system should be able to operate with a slight surplus. It shows Chippewa with a deficit and Luce with a surplus. The only thing that is helping us stay ahead is the JARC grant. The ferry system was also based on current revenue. As you can see without an increase in our fare revenue, we will be looking at a deficit for 2014. We cannot adopt a deficit budget so Gordon recommends the budget be adopted with the caveat that the deficit will be covered by an overall fare increase in the ferry system. Director Moser reported we have applied for 2% tribal funding, which will be explained in his report.

Director Moser reported everything possible has been done to avoid raising rates including years without wage increases, employees paying part of health care, and reducing expenses. Following a lengthy discussion **IT WAS MOVED** by Director Herbst; **SUPPORTED** by Director Postula to approve the 2014 Budgets with the condition on receiving the 2% funding before raising the rates for the ferry system. **UNANIMOUS.** Motion carried.

Gordon gave an update on the Post-retirement Health. November meeting the board should make a motion to approve the majority vote of the retirees/employees ballots on the different scenarios.

## **BOARD MEETING**

**Page 3**

**October 7, 2013**

### **BUSSING**

Gordon reported the total fare revenue is down 11% and passenger counts are down 13%. As of the end of August, we have an \$8,500 deficit in the bus system. Total revenue is down almost \$38,000. A majority of it is a combination of contract and regular fares. Also, the federal reimbursement rate is 2 1/2% lower than last year. We have saved on our expense side by just over \$20,000. In addition, we sold a couple buses last year which helped.

### **FERRIES**

Gordon reported through the end of August the ferry system is experiencing a \$65,000 loss. Our fares have decreased almost \$15,000 compared to last year at this time. Our vehicle and passenger crossings have actually increased which shows that we are selling more discounted fares.

## **VI. DIRECTOR'S REPORT**

### **FERRIES**

Director Moser reported unless we have an unplanned event happen like a collision or lose a propeller or something of that nature, we should not have to do another dry-docking until September of 2016. The two Drummond boats are due for 5 year inspections in 2017, so he thinks we should look into splitting that up and if we have to, schedule one of those two vessels differently. It is hard to accomplish two dry-dockings in one season, and if we can avoid doing so, we should.

Moser reported this coming weekend will be the Fall Fest on Drummond. Hopefully the weather will cooperate and we will have a successful turn out. This event really draws people from off the island and keeps us pretty busy at the ferry.

### **BUSSING**

Moser reported EUPTA has submitted a request for Sault Tribe two percent funding. Moser brought a copy of what was submitted that was passed around. Jack Kibble has been a great help on this and has been speaking behind the scenes with the Board Members that will be making the decisions on our request.

Moser reported each year the Michigan Public Transit Association meets in the UP for its September Board of Directors meeting. We were the host city this year. The evening prior to the meeting we lined up a Soo Locks Boat Tour Dinner Cruise. Everyone paid their own way and really enjoyed the cruise.

**BOARD MEETING**

**Page 4**

**October 7, 2013**

**VII. ATTORNEY'S REPORT**

There was no report given.

**VIII. ADJOURNMENT**

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

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Ted Postula, Sec. /Treas.

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Prepared By: Lynda Schexnayder