

Board Meeting Minutes

DATE: Monday February 3, 2014

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

MEMBERS PRESENT: Ted Postula Michael Herbst Frank Sasso
Jack Kibble

MEMBERS ABSENT: Dennis Robinson

**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 Robinson.

III. PUBLIC COMMENTS

Lyn Rairigh gave an update on the ice conditions with regard to Neebish Ferry Service. Rairigh reported the center of the channel is open, but the ice is closing in on the docks. EUPTA will continue to monitor this. Steve Kildal reported they are having some problems with heavy loads.

IV. APPROVAL OF BOARD MINUTES –January 6, 2014

With regard to Minutes for January 6, 2014; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS.** Motion carried.

V. AUDITOR's REPORT-Anderson Tackman

Amber Mack from Anderson Tackman reported EUPTA received an "unqualified opinion" as usual with regard to the audit. This is the highest opinion possible. Amber went over graphs and financial statements with the board. She also went over "comments and recommendations" and suggested a policy regarding the difference in rates when passengers are picked up between designated stops.

VI. FINANCIAL REPORT-P.E.-December 31, 2013

IN GENERAL

Finance Director Gordon reported we submitted our 2015 annual Marine application to the State. We've applied for \$1,407,504 in state operating funds. We've also applied for \$425,000 in capital money of which \$382,500 is State and \$42,500 is Local capital match. The request is for vessel system and dock upgrades.

Gordon reported in earlier meetings we've discussed what our decreased costs have been or will be since switching over the MERS HCSP. A handout was distributed and Gordon went over this handout.

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BUSSING

Gordon reported passenger counts are down 6% or 736. 734 from Chippewa and 2 from Luce.

On November 20th, we increased our service hours in Newberry to provide some evening and Saturday service. This increase in service hours is part of the JARC grant. We've added Wednesday and Friday from 5-7pm and Saturday from 10am-4pm. So far the Saturday service seems to be the most utilized. We'll continue to offer these extended service hours as long as we stay within our grant budget.

There was discussion regarding implementing the last phase of our previous fare increase for the EUPTA bus. The third year increase was never implemented so a public hearing is not needed. Two weeks' notice with a clear explanation will be posted. **IT WAS MOVED** by Director Herbst; **SUPPORTED** by Director Postula to go ahead with increase. **UNANIMOUS.** Motion carried.

FERRIES

Gordon reported fares are down 4% and our expenses have increased almost 12% for the 3 months ending in December. We have about a \$54,000 loss compared to a \$10,500 loss a year ago. Vehicles are down 2% or 2,116 and passengers have increased 1% or 1,668.

VII. DIRECTOR'S REPORT

Director Moser reported he spoke with the owners of the Fogcutter last Thursday. They have been working out two issues-one state issue with the DEQ that deals with "Bottomlands" and one federal issue with the IRS in regard to a tax lien. The title company needs to have these two issues satisfactorily addressed before closing is scheduled. Moser has been given assurances from the sellers and the title company that these matters will be taken care of; it is just a matter of the slow nature of bureaucracy especially on the IRS side.

Moser reported on February 14th, officials from MDOT, DEQ, and DNR will be here to tour the ice breaking operation at the Coast Guard Base. One of our buses will pick up the group from Sanderson Field at approximately 8am and deliver them to the Coast Guard Base. They will pick them up at the conclusion of their tour and bring them back to Sanderson Field where they will be leaving for Marquette.

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A job description for the hiring of a new mechanic was discussed. Moser will proceed with hiring a full time assistant mechanic.

Moser reported we are in the final year of the three year service contract with the current contractor for the Neebish Operation. There has been interest from the current operator in renewing and there has been new interest as well. Moser would like to accept new proposals from Maritime Escort and the other interested parties. There was discussion and it was suggested that a new contract be drawn up with exactly what EUPTA wants. The current contract expires March 24th. A special meeting may need to be called to discuss new contract.

Moser reported Friday, January 31st EUPTA had the initial meeting with the United Steelworkers Union to discuss current contracts. The next meeting is tentatively scheduled for February 19th or 20th.

VIII. ATTORNEY'S REPORT

There was no report given.

IX. 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 5:30pm. The next regular board meeting is scheduled for Monday, March 3, 2014 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder