

# Board Meeting Minutes

**DATE:** Monday July 7, 2014

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

**MEMBERS PRESENT:** Ted Postula            Jack Kibble  
Dennis Robinson        Frank Sasso

**MEMBERS ABSENT:** Mike Herbst

**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 4:08p.m. by Chairman Sasso. All Directors were present with the exception of Mike Herbst who has recently resigned. There has been no replacement from Luce County yet.

### **III. PUBLIC COMMENTS**

There were no public comments.

### **IV. APPROVAL OF BOARD MINUTES –June 2, 2014**

With regard to Minutes for June 2, 2014; **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS**. Motion carried.

### **V. FINANCIAL REPORT-P.E.-May 31, 2014**

#### **BUSSING**

Finance Director Akemi Gordon reported fares for the month of May are down 22% compared to a year ago. Chippewa is down 20% and Luce 33%. Our contract fares are down almost 17% for the year. This is the bulk of the decreases in revenues.

#### **FERRIES**

Gordon reported an increase in fares for the month of May. This was the month the increase became effective. Passengers and vehicles are down for that month. Most of the increase was people purchasing tickets before the increase.

Even after the increase, fares are still down 5% or just over \$32,000. Vehicles are down 7% with passengers down 6%.

There is still a \$250,000 deficit to make up by September 30th.

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

Director Moser reported there is a tentative agreement in regard to a new three year labor contract with the ferry group. The agreement would essentially remain the same but with clarification in language pertaining to retirement health care. The new agreement would include a 1 1/2 % wage increase retro-active to the expiration of the expired contract (Feb. 1, 2014). Also, there would be an additional 1/2% wage increase at the end of the current fiscal year (ending September 30, 2014) with the stipulation that our ferry operations end the year with a minimum \$20,000 profit. Attorney Dunn had some concerns that he wanted to look into to be sure that the agreement was not running us into problems in regard to health care regulations. Moser spoke with him earlier today and he said that in his opinion the draft labor contract is good to go.

Moser reported we have received the contract for Job Access Reverse Commute. The amount of the contract is \$30,938; however is reliant on state legislative action.

Moser reported with regard to Federal Operating Assistance; we also will receive 16% for eligible operating expenses for bus operations which will equal a projected \$83,137.

Moser reported with regard to Neebish II Upgrade Project; we posted the RFQ to get a Naval Architect onboard for the design work for the vessel upgrades. Unfortunately we had no responses. Moser is awaiting word from MDOT as to whether we can extend the deadline, amend the RFQ, etc. We advertised and solicited responses. Moser spoke with all three firms that we solicited from. One firm stated they were too busy, and the other two firms are not responding as they do not really pursue doing government work as the requirements are overly burdensome.

### **VII. ATTORNEY'S REPORT**

Director Moser reported for Attorney Dunn; nothing happening in Lansing at this time.

### **VIII. ADJOURNMENT**

Being no further business to come before the Board, **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Robinson to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 5:00pm. The next regular board meeting is scheduled for Monday, August 4, 2014 at 4PM.

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Ted Postula, Sec. /Treas.

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Prepared By: Lynda Schexnayder