

Board Meeting Minutes

DATE: Monday, November 2, 2015

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

MEMBERS PRESENT: Ted Postula Frank Sasso Jack Kibble

MEMBERS ABSENT: Ken Gill

ADMINISTRATIVE STAFF PRESENT: Chuck Moser Akemi Gordon
Lynda Schexnayder

ADMINISTRATIVE STAFF ABSENT: James Dunn, Attorney

OTHERS PRESENT: See attached 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 Gill. EUPTA received a call today from Luce County to notify us that Board Member Ron Ford has been replaced by Greg Schultz.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –October 5, 2015

With regard to Minutes for October 5, 2015; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS**. Motion carried.

V. FINANCIAL REPORT-P.E.-September 30, 2015.

GENERAL

Finance Director Gordon presented resolution for 457 Plan through Lord Abbott (Edward Jones). **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said resolution. **UNANIMOUS**. Motion carried.

With regard to health insurance; P.A. 152 requires we adopt either the 80/20 or capped calculation every year. EUPTA has been utilizing the 80/20 rule since the inception of the "Act". Our annual premiums exceed the hard caps. **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to adopt the 80/20 calculation. **UNANIMOUS**. Motion carried.

Gordon went over GASB 68 changes and consequences on our financial statements. They are as follows; defined benefit is a promise to pay a monthly benefit for a lifetime, unfunded liability is now on the face of our financial statement instead of in the notes in the back, we now have to recognize the interest on the unfunded liability, we are currently paying out more in benefits that we are paying in. As a result our contribution rate continues to increase as well as our unfunded liability. Gordon requested permission to pursue a different retirement option for new hires through MERS. Permission was granted by the board.

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BUSING

Gordon reported fare revenue in Chippewa County decreased 8% this year with passengers decreasing 10%. Luce County had an 8% increase in fares and 7% increase in passengers.

There was a reclassification of the mechanics wages and benefits based on the actual hours of work. This had a positive effect on the bus system and caused a surplus for the year.

FERRIES

Gordon reported the ferries had an 8% increase in fares, a 2% increase in vehicles and passengers. Because of the adjusting journal entry for GASB 68 we ended up with a deficit of \$41,000.

VI. DIRECTOR'S REPORT

Director Moser reported last week Oliver Turner the City Manager, sent us a draft copy of a potential lease agreement with the City for this building. Moser distributed copies to board members so that they can look it over and get back to him with any questions, comments and recommendations. Moser has questions himself and will make recommendations to the board before he would be comfortable signing the first draft. EUPTA has had three meetings with the City Manager over the past few months. Community Action was present at the last meeting as well.

Moser reported he has two extra copies of the final report from the Fogcutter "BEST USE" consulting project. This project was done by AECOM. The report recommends that if we make a decision to move forward with developing the site as a place we can "Dry-dock" our own vessels that we start by setting up a meeting with DeTour Village's zoning board, as we will need to work out the details on how best to proceed.

Moser reported we have also heard back from TRI-Media who is the consulting firm working on evaluating the property in regard to its environmental condition. Most of the work has been completed which includes a "Phase 1 environmental assessment", which indicates that a "Phase 2 environmental assessment" will be necessary. The work shows that years ago (1939) there was a boat building facility operating there, that there was a fuel distributor in operation just up the hill, and it is possible that there could have been lead paint and asbestos in the building. The site itself was used as a bulk fuel station beginning in 1932 as well. These all would be issues that would be looked into during a "phase 2" project.

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At this time Chairman Sasso called for a motion to go into Closed Session to update the board on the current Union Contract wage reopener. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to go into Closed Session. A Roll Call vote was taken at 4:30pm.

Director Kibble: yes Director Postula: yes Chairman Sasso: yes

IT WAS MOVED by Director Postula; **SUPPORTED** by Director Kibble to return to Open Session. A Roll Call vote was taken at 4:58pm.

Director Kibble: yes Director Postula: yes Chairman Sasso: yes

At 4:58pm Chairman Sasso called the meeting back to order in "Open Session".

At this time a 1.5% wage increase was recommended for full time employees, retroactive to 2/1/2015. **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to approve said recommendation. **UNANIMOUS**. Motion carried.

There was a short discussion regarding the Neebish Island Ferry contract. This was tabled until the December meeting.

VII. ATTORNEY'S REPORT

No report available.

IX. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 5:02pm. The next regular board meeting is scheduled for Monday, December 7, 2015 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder