

Eastern Upper Peninsula Transportation Authority
4/5/2022

1. Call to Order:

Board Chair, John Waltman, called the April 5, 2022 meeting of the Eastern Upper Peninsula Transportation Authority Board to order at 10:30 a.m.

2. Roll Call was taken:

MEMBERS PRESENT: John Waltman, Lynda Garlitz, Phyllis French, Joe Henne and Jim German

MEMBERS ABSENT: None

Those in attendance stood for the Pledge of Allegiance to the Flag of the United States of America.

3. Agenda: It was moved and carried by unanimous vote:

MOTION: Phyllis French SECOND: Lynda Garlitz	Approve the agenda with addition of status of current situation of Neebish Island Ferry under New Business
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4. Public Comment:

- David Brunett – Inquired about the possibility of a fuel surcharge. He stated if there was a fuel charge how would it be determined and if there is a formula that EUPTA uses to get the amount of the fuel surcharge. Mr. Brunett stated “The Sugar Island Township supervisor stated it was a probability of coming soon, and he had inside information from EUPTA this would be happening.”

5. Minutes: It was moved and carried by unanimous vote:

MOTION: Jim German SECOND: Joe Henne	Approve the March 1, 2022 Regular Meeting Minutes as presented.
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6. Anderson Tackman Audit Presentation

Ken Talsma from Anderson Tackman presented and reviewed the 2021 audit. Discussed. It was moved and carried by unanimous vote:

MOTION: Jim German SECOND: Lynda Garlitz	Approve the Anderson Tackman Audit as presented.
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7. Finance Director Report:

- Bussing: Ms. Gordon reviewed the February graphs showing revenue and passengers. Fares increased despite the fact passenger counts have decreased. Contract agencies still have not used transportation since Covid, and therefore have contributed to the decrease in passenger counts. Rides to Wellness has replaced the revenue that was lost from the contract agencies. Rides to Wellness is grant funded. Luce county has had increase in fares, with a spike in everyday on demand rides. EUPTA Bus system is doing well. There was a 12.5% increase in fare revenue, combination of fares, CRRSA, and state operating assistance. Keep in mind when expenses increase and our state operating assistance will increase.
- Ms. Gordon included EFT transfers and AP reports in the packet for the board's review.
- Ferries: Drummond's vehicle crossings are at an all-time high over the last five years. Cash fares are down 8.56% and credit card usage has increased 12.77%. Fuel costs have doubled in the last five months. To address Mr. Brunett's concern, there has not been any discussion at this time of fuel surcharge.
- Discussed increase in drug testing fees. Federal Transit Agency and USCG requires testing and have increased the number of random tests to 50% of staff tested annually. We have also had an increase in hiring part time staff and have to complete pre-employment tests for all new hires at EUPTA. Testing is 100% random of current employees and this is also a requirement. Kathy administers the drug program and it is audited annually.

8. Director's Report:

- Facility Design Update-There has been a lot of activity regarding the new EUPTA facility. The bids were due March 8. Five companies attended the required pre bid conference. Only 2 bids were received on the required date. Nomad Construction and RCL Construction were the 2 bidders. Selection was not a low bid but a Best Value Bid. The selection criteria and scoring were completed by a panel, which included OHM. Selection was granted on highest score. One of several criteria is price, but is only 20% of the factor. The successful bidder was RCL Construction. Their bid was 11,799,000.00 and 900,000 lower than the other bid. The good news is the bids were comparable and therefore that makes it an accurate bit. There was only a 7% difference so this was very competitive bidding. Both firms are very reputable. Their references came back in good standing and both have built similar size facilities. The bad news was there was a 4 million budget for facility. And the bids came in 8 million over. Director Paramski and Finance Director Gordon began

discussions right away with MDOT and let them know situation once the bids were open. They began looking for grants and available funding at the state and federal levels. Last fall EUPTA put in for a grant for 5339B Bus & Bus Facilities. EUPTA was informed the following Tuesday that MDOT was granted 13 million with some going to Lower Michigan facilities the largest grant was awarded to EUPTA, with State matching funds. The total of the grant came to 3.8 million so we were half way there. MDOT understands there is a substantial amount of money obligated to project. It was discussed with OPT the fact that overruns are going to happen, for example when construction costs increase, engineering costs will increase. It was determined that the total cost of the project would be 13.5 million. MDOT was contacted and informed that our shortfall was \$5.4 million. EUPTA received word within hours that MDOT would fund the shortfall with 5311 Transit Capital Funds. Director Paramski and Finance Director Gordon completed process and issued the Award of Contract and Notice to Proceed to RCL Construction last Friday. A preconstruction meeting and ground breaking will commence this spring.

- Cashless Update-Director Paramski stated the team is continuing to do revisions of the testing system. Bytemark has received the handheld units and are currently uploading information. Director Paramski stated there will be three (3) methods for pay for ferry tickets; credit cards, cash and mobile app. Last Tuesday, an IBI Consultant conducted a presentation to EUPTA staff/deckhands and orientation of what the mobile a looking like at this time.
- Neebish III Update-Director Paramski presented photos of construction of the Neebish Islander III provided by Burger. 100% funds to build the ferry are grants. The additional shortfall due to increases in materials and labor are all state funds provided, no local funds.
- Sugar II Update- There are no changes at this time. Mike Benson, USCG, is inspecting the project every Tuesday. He is very happy with the current progress. We are currently waiting on time it takes for the steel structures and hoping for Mother Nature to give some help so projects can be completed. MCM is making great progress. EUPTA mechanics check on the progress 2x per week Director Paramski checks on the project every Friday. It is currently slated for a June completion

9. Review Policies - Expenditure of Funds for Civic and Political Activities Policy, Procurement Policy, and Electronic Funds Transfer (EFT) Policy. Discussion.

<p>MOTION: Lynda Garlitz SECOND: Phyllis French</p>	<p>Approve Expenditure of Funds for Civic and Political Activities Policy, Procurement Policy and Electronic Funds Transfer (EFT) Policy (minor changes in companies)</p>
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10. New business:

- Trustee French requested information on the current Neebish Island Ferry situation and Pringle Maritime Contract. Trustee French asked for this since she has not attended meetings for some time and has had numerous emails and phone calls regarding the March shut down. Director Paramski explained the Neebish shut down. Discussed. No action items necessary.

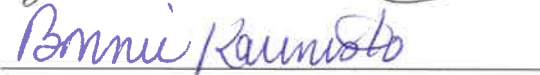
11. Board Comment

- Jim German – what a great job on the facility and the new Neebish Islander III. Many Kudos to both Director and Finance Director for finding the funds to ensure the projects were completed. Director Paramski noted it was a great administrative TEAM effort. The administrative support staff stepped up and assumed some additional duties to allow the Director and Finance Director the ability to work on funding shortfalls and plans of moving forward.

12. Adjourn: It was moved and carried by roll call vote to:

MOTION: Jim German SECOND: Joe Henne	11:45 AM
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Lynda Garlitz, Secretary


Bonnie Kaunisto (for KN), Recording Secretary

Board Approved: