



EASTERN UPPER PENINSULA TRANSPORTATION AUTHORITY

4001 I-75 Business Spur

Sault Ste. Marie, MI 49783

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Board Meeting Minutes

DATE: Tuesday, April 2nd, 2019

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

MEMBERS PRESENT: Conner Egan, John Waltman,
and Jennifer McLeod Tyson

MEMBERS ABSENT: Phyllis French - Excused

**ADMINISTRATIVE
STAFF PRESENT:** Kathy Neubert and Pete Paramski

**ADMINISTRATIVE
STAFF ABSENT:** Akemi Gordon

OTHERS PRESENT: None

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I. CALL TO ORDER

The meeting was called to order at 10:33 a.m. by Trustee Waltman.

II. ROLL CALL OF TRUSTEES

All trustees were present with the exception of Trustee French.

III. ADDITIONS/DELETIONS TO AGENDA

It **WAS MOVED** by Trustee Egan; **SUPPORTED** by Trustee McLeod Tyson to accept the agenda as presented. Motion carried.

IV. ELECTION OF OFFICERS

Trustee Waltman opened the floor for nominations for Chairman.

It **WAS MOVED** by Trustee Egan; **SUPPORTED** by Trustee McLeod Tyson to nominate Trustee Waltman for Chairman. Having no further nominations, nominations were closed. **UNANIMOUS.** Motion carried.

Trustee Waltman opened the floor for nominations for Vice Chair.

Trustee Egan nominated Trustee McLeod Tyson for Vice Chair. Trustee Waltman nominated Trustee French for Vice Chair. Trustee McLeod Tyson declined the nomination. Having no further nominations, nominations were closed. It **WAS MOVED** by Trustee Egan; **SUPPORTED** by Trustee McLeod Tyson to nominate Trustee French. **UNANIMOUS.** Motion carried.

Trustee Waltman opened the floor for nominations for Secretary/Treasurer.

It **WAS MOVED** by Trustee Waltman; **SUPPORTED** by Trustee Egan to nominate Trustee McLeod Tyson for Secretary/Treasurer. Having no further nominations, nominations were closed. **UNANIMOUS.** Motion carried

V. PUBLIC COMMENT:

None

VI. APPROVAL OF BOARD MEETINGMINUTES

With regard to the Board Meeting Minutes for March 5th, 2019 **IT WAS MOVED** by Trustee McLeod Tyson; **SUPPORTED** by Trustee Egan to approve said minutes. Motion carried

VII: FINANCIAL REPORT:

IN GENERAL:

In the absence of Finance Director Gordon, Administrative Assistant Neubert presented the electronic funds report and Director Paramski presented Gordons report.

Paramski reported that at the March board meeting the board assigned Pete Paramski, John Kibble and Jennifer McLeod as the signatories on all of the bank accounts in the Authority's name. EUPTA will have to remove John Kibble since he is no longer on the board. EUPTA will also need another board member on the accounts to replace John Kibble.

IT WAS MOVED by Trustee McLeod Tyson; **SUPPORTED** by Trustee Egan to remove John Kibble from all of EUPTA's accounts and CD's. **UNANIMOUS.** Motion carried.

IT WAS MOVED by Trustee Egan; **SUPPORTED** by Trustee Waltman to add Jennifer McLeod Tyson to all of EUPTA's accounts and CD's. **UNANIMOUS.** Motion carried.

IT WAS MOVED by Trustee Egan; **SUPPORTED** by McLeod to add John Waltman to all of EUPTA's accounts and CD's. **UNANIMOUS.** Motion carried.

BUS SYSTEM:

Paramski reported that total fare revenue is up 20% expenses are down year to date 3.58%. The passenger counts are down 2,694. Some of the decline can be attributable to our buses in both Chippewa and Luce County being partially or completely shut down due to weather.

FERRY SYSTEM:

Paramski reported that vehicle and passenger crossings are up year to date 8% through the end of February. Paramski stated that part of this could be that there were no shutdowns this year at the ferry as last year the Neebish Island Ferry was shut down for 26 days and the Sugar Island Ferry missed a few runs as well.

Paramski stated that EUPTA's operating loss so far this year since the beginning of the fiscal year is \$118,076 compared to \$183,016 last year. Paramski stated that last year EUPTA paid quite a bit of money to have ice removed from the Sugar Island side dock.

VIII. EXECUTIVE DIRECTOR'S REPORT

GENERAL:

Paramski stated that the preconstruction meeting for the Sugar Island Ferry road project was held and work will begin on this in the summer.

Paramski stated that EUPTA has been approached by the City about absorbing Dial a Ride. Paramski reported that it is not as cut and dry as it may seem as EUPTA does not have full time drivers with benefits and Dial a Ride does. Paramski stated there are other things to consider as well and there has been no commitment made at this time. Paramski talked about the city appropriation that is given to Dial a Ride each year and that it has been mentioned that because EUPTA is an established transit agency maybe EUPTA wouldn't need that appropriation. Paramski stated he would not be agreeable to taking on additional staff and not receiving the appropriation. Paramski discussed some property he was looking at over by the Smart Zone for a new facility however there has been some opposition to this as EUPTA is tax-exempt. He stated that the current EUPTA office property is appropriated to transportation. The City owns the building and the property and EUPTA is the administrator. Paramski stated that originally EUPTA was supposed to be the original administrators and owners of it however there were problems with a director many years ago and this couldn't happen. Paramski would like to meet with the city and have them sign over the property and building to EUPTA. Paramski stated that he has a potential grant for funding for a new facility. Paramski feels that this would be a win-win situation as EUPTA could still house Dial a Ride and the City would get a brand-new beautiful facility. Paramski stated that EUPTA has a lot going on at this time including a boat project, a road project, the fog cutter project and a possible facility project and is not sure that this would be a good time to take on this additional project.

Paramski stated that he has mentioned it before but as a reminder, EUPTA is looking at a fare increase for fiscal year 2020 which begins 10/1/19. Paramski stated that throughout the history of EUPTA there has been a fare increase about every five years and it has been six years since the last

increase. Expenses are up and revenues are holding steady or down and EUPTA has to look at increasing fares to maintain the boats. Paramski stated that he and Gordon have a very rational and detailed process of how they have come to the unit price increases and it will now be rolled out to a EUPTA task force which will include a head captain and some of the more experienced deckhands and get their feedback. Trustee Egan stated he would encourage Paramski to try and get someone from each of the Islands to sit on this committee as well to give them some say in the process. Paramski stated that there will be 3 components to the fare increase. The first part is that EUPTA will no longer charge for passengers in a vehicle. Walk on passengers will still be charged. Paramski stated that this will require EUPTA to come up with a unit price increase on all of the tickets that accounts for the elimination of the passengers. Paramski stated that the process used was very mathematical and statistical. Paramski stated that there have been increased expenses since the fare increase and this is the reason for the increase. Paramski stated that the last component is the senior/disabled rate. Currently customers are receiving a 50% discount off the already discounted price of the commuter pass rate which is about an 80% discount and this is not how the FTA intended it to be. Trustee McLeod-Tyson stated that there are people that are on fixed incomes and its already a burden and to increase that burden substantially will be a big blow back. Trustee McLeod-Tyson and Trustee Egan talked about the signs at the ferry that say a fuel surcharge is in effect and that residents thought that would come off once the price of fuel went down. Trustee Egan stated that should be removed from the signs at the ferry. Paramski reported that there is a plan to possibly roll this out over a 3-year period. Paramski stated that once the task force meets, he will then present the proposal to the board for their review. Trustee Egan asked if we would be looking at how we collect and are we any closer to an electronic system for the collection process. Paramski stated that it's a very unique system and are still looking at options.

FERRY SYSTEM:

Paramski reported that EUPTA feels it has identified funding for the onboarding of a naval architect for the design and construction of a new Neebish Islander III. Paramski stated that EUPTA receives funds from FHWA through the Federal Ferry Boat program. You can save this grant money for up to three years and can in some instances apply for an extension of these funds.

Paramski stated that about a month ago EUPTA solicited and advertised for an RFQ, Request for Qualifications, for a naval architect firm to design the Neebish Islander III. Paramski reported that the RFQ's were due about 2 weeks ago. A panel consisting of Paramski, Gordon and one of the EUPTA mechanics have made a tentative selection of the Naval Architect. Paramski and Gordon have been in contact with the architect and are in negotiation with him at this time. Nothing will be finalized until a 3rd party contract has been signed by both parties. Paramski is hoping he will know more within the next week.

Paramski reported that the entire process will probably take about 2 years.

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Paramski stated that the opening of shipping season has gone well. Paramski stated that the Coast Guard is feeling confident that Sugar Island is out of the woods as far as ice impeding the ferry crossing.

Paramski stated that the board all received an email from Lori Miller from Neebish Island. Paramski explained to the board that the Neebish Island Ferry winter schedule ended on 3/31/19 and the Spring schedule starts on 4/1/19. Paramski stated that the Coast Guard agreed to leave the West Neebish channel closed in an effort to avoid brash ice at the docks. Paramski stated that ice conditions started to worsen and ice was going to start letting loose on its own, so the Coast Guard in conjunction with EUPTA and the Neebish Island Ferry decided that the timing was right for the Coast Guard to break the ice on 3/31/19. Paramski stated that everything went well with the breakout and the first boat was escorted by the Katmai Bay. Since Sunday there has been intermittent ice. When ice comes down the crossing gets plugged up but then it will pass through or a freighter will come through and drags it down with them and it re-opens. The Coast Guard reports there is a lot of ice on Lake Superior and they are hoping there won't be any issues. The Coast Guard cutters have been good about cleaning out the ice a couple of times a day and we have been able to run. Paramski stated that he spoke with the Neebish Ferry Captain Jamie yesterday which was the first day of the Spring schedule which amounts to adding two additional runs during the day. Paramski stated that the Captain's voice was stressed and it took him extra time to make the first run. Paramski stated that the vessel was built in 1946 and we just spent 125,000 into the hull during dry dock and Paramski could tell that the Captain was concerned. Paramski decided that it wasn't worth the risk to the boat and the passengers for two extra runs that aren't utilized a lot. An announcement via the Central Dispatch Rave system was put out to all Neebish Island residents that the winter schedule would be extended and as conditions permit, we will go to the Spring schedule. Paramski informed the board that the office started to take complaints about extending the schedule and that the Captain's contract states he is paid for 2 additional runs starting 4/1/19. Paramski stated that this is not about the contract but is about the well being of the boat and the safety of the customers. Paramski stated that at noon yesterday he gets pictures from one of the EUPTA staff from the Neebish Island crossing and there was open water. Paramski stated he called the Captain after receiving the pictures and the Captain stated that at the present time the crossing was clear. Paramski stated that all runs were made yesterday and it was decided that the Neebish Island Ferry would remain on the Spring schedule but there may be times that runs can't be made due to ice. The board was very supportive of this decision.

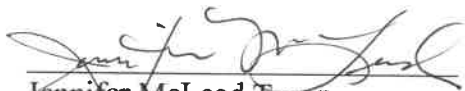
Paramski stated that this all could have been avoided had Ms. Miller just called him directly.


VIII. BOARD COMMENT:

None

X. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Trustee Egan; **SUPPORTED** by Trustee McLeod Tyson to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 12:00 pm. The next regular board meeting is scheduled for **Tuesday May 7th at 10:30 a.m.**


Jennifer McLeod Tyson
Board Secretary


Prepared By: Kathy Neubert
Administration Assistant