

Board Meeting Minutes

DATE: Monday, February 1, 2016

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

MEMBERS PRESENT: Ted Postula Frank Sasso
John Waltman Jack Kibble

MEMBERS ABSENT: Greg Schultz

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 Luce County board member Greg Schultz.

III. PUBLIC COMMENTS

Simon Langner (Barbeau) voiced his concern with the deterioration on the deck of the Neebish Island Ferry. Director Moser reported he is working with MDOT and an architect is looking at the 70 year old vessel.

IV. APPROVAL OF BOARD MINUTES –January 4, 2016

With regard to Minutes for January 4, 2016; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS**. Motion carried.

V. FINANCIAL REPORT-P.E.-December 31, 2015.

IN GENERAL

Finance Director Akemi Gordon reported we are submitting our 2017 annual Marine application to the State. We have applied for \$1,366,697 in state operating funds. We have also applied for \$222,222 in capital money of which \$200,000 is State and \$22,222 is Local capital match. The request is for vessel system and dock upgrades as well as dock support equipment. Gordon presented and recommended approval of Resolution of Intent. **IT WAS MOVED** by Director Waltman; **SUPPORTED** by Director Postula to approve said resolution. **UNANIMOUS**. Motion carried.

Gordon went over MERS projection study on new hires. Two scenarios: lower DB plan and switching to DC plan. Whichever plan the board decides, we will need a letter of understanding from the Union agreeing to this.

BUSING

Finance Director Gordon reported the bus system really had a rough December. Fares were down 26% and passengers were down 22%. Both Chippewa and Luce County experienced reduced ridership. December is usually a slow month but numbers are compared to the same month last year. To our advantage, our expenses are 17% less YTD. Wages, fuel and liability expenses are all reduced compared to last year.

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FERRIES

Gordon reported the ferries saw a little more than 7% increase in fare revenue. Fuel for December was about half the cost than it was a year ago. The MERS retirement line item looks way off compared to last year. This has to do with the GASB 68 adjustment we had to do. The actuary YE is different than our YE. This line item will eventually become more comparable as time goes on.

YTD fares are up 12%. We have reduced expenses in health insurance, contract maintenance, fuel and building utilities. Again, the MERS line will look off. Vehicles and passengers are up YTD 11% and 8% respectively.

VI. DIRECTOR'S REPORT

Director Moser reported attending the Annual PVA Convention in Washington, D.C. The Coast Guard Authorization Act has been approved as of 2:00p.m. this afternoon. This has been of particular interest to us because we were able to insert an amendment that would do away with a mandate that would require all domestic passenger vessels to install inflatable life rafts. These are expensive to purchase and are expensive to maintain.

Moser reported he is working with the city with regard to a lease for this building.

Moser reported we will be having a STC meeting here this year at some point with a highlight being a potential new lock project moving forward.

Moser reported pretty much all open water at Neebish, Jamie has been running with no problems.

Moser spoke briefly regarding a wheel chair accessible van for Luce County soon.

VII. ATTORNEY'S REPORT

No report available.

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IX. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Waltman; **SUPPORTED** by Director Postula to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 5:30pm. The next regular board meeting is scheduled for Monday, March 7, 2016 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder