

Board Meeting Minutes

DATE: Monday, October 27, 2014

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

MEMBERS PRESENT: Ted Postula Jack Kibble
Frank Sasso Ron Ford

MEMBERS ABSENT: Dennis Robinson

**ADMINISTRATIVE
STAFF PRESENT:** Chuck Moser Akemi Gordon
Lynda Schexnayder

**ADMINISTRATIVE
STAFF ABSENT:** Jim 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 4:15p.m. by Chairman Sasso. All Directors were present with the exception of Director Robinson. Attorney Dunn was absent.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –October 6, 2014

With regard to Minutes for October 6, 2014; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS.** Motion carried.

V. FINANCIAL REPORT-P.E.-September 30, 2014

Finance Director Gordon went over Financial Statements ending September 30, 2014.

BUSSING

Finance Director Gordon reported our FYE fares were down 7% (9% for Chippewa and up 4% for Luce). Passenger counts decreased by 2% (5% for Chippewa and up 14% for Luce).

The bus system suffered a deficit of \$33,358.01 for the year. Gordon recommended increasing rates on bussing. No public hearing is required because we still have the 3rd increase from the last public hearing left to implement.

FERRIES

Gordon reported fares increased 3% for the year, vehicles and passengers decreased by 5%. The year-end financials show a deficit of \$40,874.29 compared to \$265,336.94 last year. The significant change is due to the absence of the OPEB liability we had in the past.

GENERAL

Gordon reported the auditors were here doing some prelim last week. They had suggested we have an EFT (electronic funds transfer) policy for making payments online. Gordon will be working on a draft policy for a future meeting.

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With regard to health insurance; P.A. 152 requires we adopt either the 80/20 or capped calculation every year. We have been utilizing the 80/20 rule. There was a short discussion. **IT WAS MOVED** by Director Ford; **SUPPORTED** by Director Postula to stay with the current 80/20 rule. **UNANIMOUS**. Motion carried.

Gordon went over the two proposals received for health insurance. Following a short discussion **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Ford to stay with Superior Insurance at this time. **UNANIMOUS**. Motion carried.

VI. DIRECTOR'S REPORT

FERRIES

Director Moser reported on October 9th at around 9:30p.m. one of our Captains suffered a pretty severe injury. He was in the pilot house and stepped on the ledge near the stairwell to reach over and turn down the thermostat for the cabin heater. He apparently lost his footing which caused him to fall down the stairs. In doing so he hit his head hard enough to knock himself out and cause a cut that required 8 staples to close. He also injured his hand and wrist and hip on his left side. He has been off work but according to his Doctor, has been approved to return without restrictions beginning 10/31/2014.

Moser reported he attended our association's Great Lakes Region meeting last week which was combined with the River's Region. It was held in Louisville, Kentucky. Moser who is chairman of the Passenger Vessels Association's legislative committee reported that currently there is a long list of issues that they are working on in the legislative committee, but are giving extra attention to two items for the next few months until the beginning of the next legislative session. These two items are the Mandate for "Out-of-water" Survival Craft which is waiting on Senate action, and the Vessel General Permit issue which is an EPA regulation that deals with ballast water, grey water, and even deck run-off. They have slowed down the survival craft issue already by several years by finding a friendly legislator that requested that the USCG provide sound data that "out-of-water" survival craft is necessary. In their efforts to collect and analyze data one of the benefits to the industry is that the data really underscores the safety of the domestic passenger vessel operators. Also, they could not site one example of an incident where a life would have been saved had there been a properly deployed "out-of-water" craft. Still there is a strong possibility that the mandate will come at some point.

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VII. ATTORNEY'S REPORT

Director Moser spoke with Jim Dunn prior to the meeting. Although there is very little movement in the legislature right now the effort to address transportation revenue shortfalls could take shape immediately after the general election later this month.

VIII. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 5:25pm. The next regular board meeting is scheduled for Monday, December 1, 2014 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder