



EASTERN UPPER PENINSULA TRANSPORTATION AUTHORITY

4001 I-75 Business Spur

Sault Ste. Marie, MI 49783

Phone: (906) 632-2898 Fax: (906) 632-0988

Email: euptatrans@eupta.net Web: www.eupta.net

Board Meeting Minutes

DATE: Tuesday, January 7th 2020

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

MEMBERS PRESENT: John Waltman, Phyllis French
Jennifer McLeod- Tyson, Rob Laitinen and Conor Egan

MEMBERS ABSENT: None

ADMINISTRATIVE STAFF PRESENT: Pete Paramski, Akemi Gordon and Kathy Neubert

ADMINISTRATIVE STAFF ABSENT: None

OTHERS PRESENT: See Attached

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 Egan who arrived at 10:36 a.m.

III. ADDITIONS/DELETIONS TO AGENDA:

IT WAS MOVED by Trustee McLeod-Tyson; **SUPPORTED** by Trustee French to approve the agenda as presented; however, Director Paramski asked to add policy manual discussion and advisory committee discussion to the agenda. **IT WAS MOVED** by Trustee McLeod-Tyson; **SUPPORTED** by Trustee Laitinen to amend the agenda as discussed. **UNANIMOUS**. Motion carried.

IV. PUBLIC COMMENT:

Mike Pine – Sugar Island stated that due to the recent events that occurred on the Island with the power outages, would it be possible to get a couple of portable generators to keep on each side. Director Paramski stated that EUPTA is looking into this and is getting prices. Paramski stated that they would be mobile and not assigned to any particular Island. Paramski stated that EUPTA has to look at the cost/benefit analysis of this. He stated that we were able to counter balance the boat and were able to get the propane tanks on and off the boat. Paramski stated that obviously this is something that EUPTA would like to do but also needs to look at the cost related to how often would we need the generators. Cloverland stated that this past outage was the worst outage they have had in 28 years, however EUPTA is getting a price on this.

Ron Papin- Detour stated that the boats have their own generators and asked about feeding back into shore power to power the ramp. Director Paramski stated that he spoke to the mechanics about this and there would have to be another investment of a throw out switch and a phase conversion, but we are looking into this.

Trustee French asked if electricity was needed for the ramps. Paramski stated that it's not needed for the ramps on the boat, but electricity is needed for the ramps on the docks.

Trustee Egan spoke about the high water and stated that it's not going down. Egan asked if there was a plan for that. Paramski stated that we still have some adjustment left but are almost out of adjustment. Paramski stated that right now we have this handled but depending on who you talk to in the Coast Guard and Weather Service, they are predicting it to go up another 6 inches possibly in the spring.

Ron Papin-Drummond Island asked if they could put ballasts in the boat to make it sit lower. Paramski stated that we have done this at Neebish from time to time and this is something that could be looked at as well.

V. APPROVAL OF BOARD MEETING MINUTES:

Trustee McLeod-Tyson asked Chairman Waltman procedurally how he would like corrections to the minutes to be made. McLeod-Tyson asked if he would like a motion prior to a motion to approve the minutes. Chairman Waltman stated just some comments and then they could approve it with the amendments. McLeod-Tyson stated that on page 4 under the last paragraph where it says she asked if a letter was sent to MCM needs to include that this was per board directive from the previous month and that the board was told that they decided not to do it as they were concerned about other vendors, but then the board again reiterated that they wanted it done so this wasn't the first time it was brought up.

Trustee Egan stated that at one point the board gave a directive that we needed to video tape the meetings and post them on the website and that hasn't been followed through with. Finance Director Gordon stated that she wasn't sure if that needed a motion.

Trustee McLeod-Tyson stated that we don't have a new business item on the agenda and that may be an appropriate place to do that. Chairman Waltman asked that a new business item be added to future agendas.

Trustee McLeod-Tyson stated that on page 5 the third paragraph, McLeod-Tyson stated that she is not sure she said to give these things a chance to work out, but she did say that time was needed to develop a proper plan.

Trustee McLeod-Tyson stated that on page 5 paragraph four, she does not recall Trustee Egan saying that his constituents are bearing all of the cost. Trustee Egan stated he does not remember his exact words. Trustee McLeod-Tyson stated that ordinarily she wouldn't bring attention to something this small but feels it could be a big issue later on. McLeod-Tyson stated that she believes Egan stated that Drummond Island generates the most revenue.

Trustee McLeod-Tyson stated that on page 6 there is a grammar correction just above the second public comment. She stated that an ed needs to be added to the word present. McLeod-Tyson stated she thinks it should state that Trustee French stated that this proposal had no board input and was all of a sudden presented. Trustee French said she did mean present as they were talking about that committee. French stated that all of a sudden that board was there and we knew nothing about it. French stated that she meant it was already in place and maybe that would be a better word for it.

With regard to the Board Meeting Minutes for December 3rd, 2019 **IT WAS MOVED** by Trustee Laitinen; **SUPPORTED** by Trustee McLeod-Tyson to approve said minutes with the above corrections. **UNANIMOUS**. Motion carried.

With regard to the Closed Session Meeting Minutes for December 3rd, 2019 **IT WAS MOVED** by

Trustee Egan; **SUPPORTED** by Trustee Laitinen to approve said minutes. Trustee McLeod-Tyson stated she would abstain as she didn't have a copy of the minutes, however she found them and asked for a few minutes to review them. After McLeod-Tyson reviewed the minutes, the vote was **UNANIMOUS**. Motion carried

VI: FINANCIAL REPORT:

IN GENERAL:

Finance Director Gordon present the Electronic Transfer report.

Gordon stated that EUPTA will soon be working on the 2021 application for bus and ferry operating and capital needs, as well as the JARC grant that EUPTA receives for the Luce County Curtis run. Gordon reported that all three applications are due February 15th. EUPTA's Project Manager will be visiting EUPTA at the end of the month to go over the application.

BUSSING:

Gordon reported that we are waiting on one bus and one transit van and are hoping to receive these this month. Gordon stated that another bus and transit van are also on order and in production. These vehicles will probably be delivered sometime in March. Gordon stated that it typically takes 6 months from the time they are ordered until delivery. One of the Newberry vans was also replaced in December. These were all purchased with grants we receive as a result of our annual applications. Some of the grants were from Section 5339 state and federal funding and we also have received capital grant money through our Rural Task Force with the Chippewa and Luce County Road Commissions.

Gordon stated that the replacement criteria for busses is 7 years or 200,000 miles and for the vans it's 5 years or 100,000 miles.

FERRIES:

EUPTA's overall vehicle crossings were down 3% for the month of November or 1% for the two months into our fiscal year. Passengers are down 5% for November and 3% for the two months ended.

Gordon stated that by Island, Drummond vehicles and passengers decreased 9% and 10% respectively, Sugar vehicles increased 3% and passengers decreased 1%, and Neebish vehicles and passengers decreased 15% and 9%. Gordon stated that the 15% decrease in vehicles on Neebish Island represents about 300 vehicles. Trustee Egan stated that was a significant decrease for Neebish Island. Trustee Laitinen stated that he spent a lot of time on Neebish Island during the month of November and that overall traffic in November is affected by hunting season and the decrease in traffic may have been due to the way the week-ends fell during that time.

VII: DIRECTORS REPORT

IN GENERAL:

Policy Manual discussion:

Director Paramski stated that looking at EUPTA's policy manual it is very outdated. Paramski stated that he doesn't think the policies need legal review, however that is up to the board. Trustee Laitinen stated that every two to three years the Road Commission begins a process of reviewing 2-3 policies each meeting. Laitinen stated that it allows staff time between each meeting to research and see if the policy is up to date or are there changes that need to be made. Laitinen suggested having an item on the agenda until the policy manual is updated and that there may be some policies that do require legal help. Chairman Waltman stated he feels this is a much more logical approach rather than contracting it out as a whole. Trustee Egan stated that EUPTA also needs to create bylaws as we don't have any bylaws governing this body, only articles of incorporation. Egan stated that he feels it's important to cement the way we do business so if we ever start to have a problem with a board member or administration, we have a simple guide to help us get through it. Egan stated that he would like some guidance on this from a professional. Egan also stated that in regards to the policy manual he would like to review the manual in order and that there is material sent out a head of time so we have time to do our homework. Paramski stated that he would give the board the policies to be reviewed at a meeting and the review could take place the next meeting. Egan stated that part of the boards job is not just overseeing EUPTA financially but being liaisons with the public. Egan stated that he has had contractors approach him in regards to bids and asked why things were done a certain way. Egan stated that having the proper information is huge.

Paramski stated that he will bring some policies to the next meeting for review. Trustee McLeod-Tyson asked if the policies would be coming with recommendations from Paramski and Paramski replied that he would put recommendations on the policies. Trustee Laitinen stated that he assumes that EUPTA's insurance pool has input on policies that they would like to see. Paramski stated that often times not just the insurance pool but MDOT has a lot of input into EUPTA's policies. Laitinen stated that the role of the manager is enforce policies set by the board, however the board has to be very careful not to be too restrictive with the policies as this can tie the hands of the manager. If it is something that can be handled with a reasonable mind without a written policy, it's a better way to handle it.

Advisory Committee discussion:

Paramski stated that there was some discussion and comments regarding an advisory board. Some research was done on this item and on page 6 of 12, section 4 of the Articles of Incorporation states an advisory committee will be created and will consist of members with technical skills relevant to all phases of public transportation, administration and operation. Legal, financial, communication and engineering skills are essential. This committee will be appointed by the majority vote of the

board of directors. Recommendations for membership on the committee will be made by each of the participating public agencies. The advisory committee will have no powers.

Its function shall be to provide the governing board of directors with technical advice and make recommendations for improvement and/or expansion of public transportation operations. Members of the advisory committee shall service without compensation. Paramski stated that to his knowledge this has not been done since the inception of EUPTA. Paramski stated that if the board would like to create this committee, we can work to create one. Chairman Waltman asked about the date of the Articles of Incorporation and stated that EUPTA has been operating without by-laws for almost forty years. Waltman asked if there was any history related to this. Paramski stated that as you go through and read the Article of Incorporation, they are a little like the policy manual. There is a lot of information that is in there that isn't happening or hasn't happened. Trustee Laitinen stated that he believes that in the infancy of this organization there was no one local that had the expertise with public transportation or ferry systems. He stated that he feels that they put that in there to draw in that expertise. Laitinen stated that as it stands now, Paramski holds a PE license which is EUPTA's expertise in engineering and Gordon has a large background in finance and accounting. Laitinen stated that at the point and time this was created, he doesn't believe that these things existed in house. Laitinen stated that being said, he doesn't think it would be a bad idea if EUPTA could find willing members as it says right in there they will serve without compensation. Laitinen stated that asking professionals to serve on a committee without compensation may be difficult however if there were willing members to do so Laitinen said he wouldn't have any problem appointing them on an advisory role.

Laitinen and Waltman both stated there would be a lot of things to work out such as when would they meet and how they would be utilized.

Egan stated that it's very broad and should the advisory board been the ones to create the fare restructure. He stated that its not clear but seems like maybe that is something they should have been taking on. Egan stated that the Articles of Incorporation need to be updated. Laitinen stated that the unfortunate part about that is that they can only be updated by the County Commission boards of both counties. Laitinen stated that this board has no authority to do anything with the Articles of Incorporation. Egan stated that this might be something that Paramski and one or two of the board members need to take to the County board and ask for help restructuring this to make it a better document. Laitinen stated that in the meantime developing a set of by-laws would be beneficial and EUPTA could ask both counties to adopt the by-laws in place of the Articles of Incorporation. Laitinen and Egan stated that they are supportive of trying to find people to sit on an advisory committee. Egan stated that if EUPTA runs into a problem finding people then maybe we can go to the County Commission and tell them we need to compensate these people.

Trustee McLeod-Tyson asked what the need for the committee would be and what would they be addressing. McLeod-Tyson asked what we would tell them they would be doing and they will ask what kind of challenges EUPTA has. McLeod-Tyson stated that EUPTA has handled these challenges for how many years and believes it is within the scope of this board that if a need comes

up, they can form a special committee. She stated that she hasn't seen anything that prohibits that and things are pretty well set.

Egan stated that he feels an advisory board would be good to help EUPTA with a five year or ten-year plan. Egan stated that at some point we need to create something that is tangible so it isn't just the board saying you do something; we should have some goals. Laitinen stated that he doesn't disagree however all of the legislation and public acts that govern and regulate so many of the things we have to do on a day to day basis or even a long-term basis didn't exist and a layperson could get involved in the planning. Laitinen stated that development of a five year or ten-year plan should be developed by a consultant. Egan stated that the advisory board are professionals and if the right committee is put together it would be in their wheel house. Paramski stated in lieu of a five- or ten-year plan, EUPTA does have a master plan and maybe we just need a new master plan. Laitinen stated that he feels that EUPTA would be far better off hiring a consultant than trying to develop large scale documents. McLeod-Tyson stated that she feels the board needs to have a discussion on what the need is before we talk about what categories of people we need.

Egan stated that in regards to the Article of Incorporation it is interesting what has been implemented and used on a regular basis and what has been skipped over. He stated he feels things will go better if the board can get Paramski some direction.

McLeod-Tyson stated that she suggests the advisory committee be added to the next agenda and that between now and then the board think about what kind of things they would like advise on.

February meeting date:

Paramski stated he has a conflict for the 2/4/20 meeting and asked if there was an alternate date we could schedule the regular meeting for. The board asked that Administrative Assistant Neubert send out a doodle poll with alternate dates.

Facility Update:

Paramski reported that there was a phone conference with EUPTA, FTA, MDOT and our consultant, OHM, that is doing the Phase I environmental clearance work. Paramski stated that we are making good progress and stated he has an emailed list from the consultant and reviewed the list with the board.

Trustee Egan asked if EUPTA was allowing rental space for Dial A Ride in the new building. Paramski stated we do not have rental space for them at this time. Egan asked if EUPTA will loose revenue not renting to Dial A Ride and was told no. Egan asked if we created a space for Dial A Ride could we generate some revenue out of them. Paramski stated that anything is possible. Egan stated that it would be nice if we could find another revenue stream and if EUPTA owned the space and had complete management of the space, Egan feels that maybe a relationship with Dial A Ride could work especially if they were paying EUPTA. Paramski stated that he speculates that the city may come back and say that EUPTA has been utilizing the current building for free. Egan stated that he thinks they will find running a facility on their own will be costly.

Fare Restructure Proposal:

Paramski stated that at the last board meeting, the board requested that EUPTA obtain legal advice to ensure that we were in compliance Act 51, ADA and Title IX. Paramski stated that legal council was obtained through Foster and Swift with an attorney that deals exclusively in transportation and represents most of the members of the Michigan Public Transit Association. Paramski stated he emailed the attorneys response to all board members for review which stated “it does not appear that EUPTA’s proposed ferry structure would violate Title IX, ADA or PA 51”.

Trustee Egan stated that he noticed there was a new proposal with the disabled rate back on it. Paramski stated that after the last meeting they worked on the proposal and came up with another version of the proposal. The new version was sent to all board members and no one gave any feedback so when the review was done with the attorney, he sent for review the last proposal that the board had seen and made comments on. Egan stated that it seems like this would have been in an advisory board’s wheel house. Egan stated that EUPTA created a task force and he appreciates that you didn’t just create it on your own and that you went out and got some input. Egan stated that he has been critical of the task force as no board members were involved and no outside members of the public were involved and it was all in house. Egan stated that none of the people on the task force pay to cross the ferry boat and that is bothersome to him that a task force was created that doesn’t feel the pain of having to shell out that money.

Trustee Laitinen stated that in reading through the memo that EUPTA received from Foster and Swift, he agrees that they are a reputable firm and has seen a lot of their work that relates to numerous different municipalities and road commissions. Laitinen stated looking through his analysis, it looks like it takes care of all of the concerns that we had. In regards to the fare equity analysis, it states that the completion of the entire analyses applies to those transit agencies that operate 50 or more fix route vehicles in peak services and are located in areas of 200,000 or more in population. Laitinen stated that this does not apply to EUPTA and that this memo covers all the concerns that we had. Laitinen stated that there were a couple of suggestions as it relates to EUPTAs website and filing complaints and Laitinen stated that he thinks EUPTA should update that. Paramski stated that both of the attorney’s recommendations have already been implemented and updated. Laitinen stated that he is very agreeable to his memo and opinion on this and will move to adopt the proposed fare restructure.

Trustee McLeod-Tyson stated that she still had things to discuss and asked Chairman Waltman if he would like to wait until after the motion. Chairman Waltman stated that he would take motions and support and then have further discussion.

IT WAS MOVED by Trustee Laitinen; **SUPPORTED** by Trustee Egan to adopt the proposed fare restructure.

Discussion:

Trustee McLeod-Tyson stated that she thought the letter from the attorney was a very interesting read and a good legal opinion but she is uncomfortable with it. She stated that he does address everything but she is uncomfortable as a few times in the letter the attorney states that because we are not charging for passengers and that everything is based on vehicles and that vehicles are not entitled to a reduction in fare. McLeod-Tyson stated that seems like a very good legal way to circumvent those laws that protect people. Trustee Laitinen stated that if you continue reading it goes on to say that over and above this opinion on that, EUPTA is still including the discounts in those categories, giving discounts over and above what is necessary. McLeod-Tyson stated that we are but she still doesn't like that this is a way to get around it. McLeod-Tyson stated that there is nothing that compels us to do this and if we adopt a fare schedule that is only vehicles, we are being told that it's good of you to be giving all of the people that might have these conditions discounts but legally you aren't bound to. McLeod-Tyson stated that it makes this a good legal document and opinion but stated she is uncomfortable with it. She stated that this board might not do it but a future board could as the legal opinion is here and she is not comfortable moving the fare structure to only vehicles.

Trustee Egan stated that as a private business this letter would give you a lot of good cover, but as a not for profit board that is here to service the people, it is about the people in the vehicles and maintaining as regular of a life as we can for them and this letter doesn't take that into consideration. Trustee Laitinen stated that he disagrees with Egan's statement as it does take it into consideration. EUPTA asked them to provide a legal opinion on whether or not our proposed fee schedule meets Title XI, ADA and Act 51 requirements. The attorney could have left that verbiage out of the letter but goes on to state that we do meet all of the legal requirements. The attorney has affectively stated, that in his legal opinion, this proposal that we have proposed meets the legal requirement minimums. Laitinen stated that it is entirely the decision of this board to offer discounts over and above what the legal minimums are. Laitinen stated that he would agree that there is excess verbiage in the letter that didn't need to be there but the attorney is the legal expert.

Trustee Egan stated that his issue isn't with the legal opinion as it is wonderfully done and very thorough, but as an entity EUPTA needs to make sure that we aren't just going by a legal opinion. Egan went on to say that when EUPTA creates policy we need to make sure that we are putting the actual passengers in the car and not treating them as a vehicle. Egan stated that is on the board to create a safety net so that future boards don't skirt this and stated that it is the boards job to protect the passengers.

Trustee McLeod-Tyson stated that she respectfully disagrees that the information that the attorney put in the letter about vehicles is excess verbiage. McLeod-Tyson stated that this is part of a very thorough opinion as the attorney could have just answered the boards question with a yes or no, but instead he is giving us all of the information so we can make informed choices and know how the law applies to us. McLeod-Tyson stated she is grateful and that the legal opinion from the attorney is an excellent document.

McLeod-Tyson stated it makes her uncomfortable that we have a structure that could be misused in the future. McLeod-Tyson stated that at some point in the future, someone who does have a disability could file a suit as every lawyer could have a different opinion. Someone with a good lawyer could state that the person is being harmed because EUPTA doesn't have passengers and only has vehicles.

Trustee French stated that she is sitting in a public meeting skimming a legal document. Having worked in the legal system for almost 20 years, French stated she is not comfortable sitting here reading this and digesting everything that is says. French stated that she knows attorneys, and legal e's and that she knows things can be said that can be manipulated and that she wants to sit down and read the letter in private where she can think about it paragraph by paragraph and she is not comfortable with it at all.

McLeod-Tyson stated that she also wanted to make the point that at the 12/3/19 meeting, this board voted that not only would there be legal advice but there would also be an economic analysis and she doesn't see the economic analysis. McLeod-Tyson stated that EUPTA doesn't have an analysis of how this is going to affect the Islands but we don't have all of the information needed to consider voting.

Chairman Waltman stated that Finance Director Gordon has looked at the new fare and what this would do for the next year.

McLeod-Tyson stated that she is not asking for the financial analysis as Gordon has done a great job of providing that information. McLeod-Tyson stated she is looking for an economic analysis and how this decision is going to affect the economies of each individual island. McLeod-Tyson stated that EUPTA has received some information on how it is probably going to affect the lumber industry, but we haven't done the full economic analysis. McLeod-Tyson stated that its important to know how this will affect the Islands five and ten years from now. She stated that there are assertions being made by people that feel they are going to have to move because they can afford this increase. McLeod-Tyson stated that this will affect the economy of the Islands when people can't sell their homes. The analysis might show that if Neebish Island wants more ferry service, that economically it might be a good idea to increase ferry services to them. The economic analysis might show that EUPTA might make more money by having more runs. McLeod-Tyson stated that this is the type of analysis that is needed and we need to know are we automatically, due to our actions, telling Neebish Island that they are only going to be a retirement community because you can't have these services. McLeod-Tyson stated that EUTPA doesn't have the information to decide what these life changing moves will do.

Trustee Egan asked if the board put this in place and look at it again in a year. Egan stated EUPTA could have someone come in and do an analysis and look at the rate structure from last year to this year or could we agree to come back to this every year to make sure that we don't need to adjust it. Egan asked if there was a policy the board could create to institute this to get things a bit more level and see how it's impacting the residents six months and a year from now.

Trustee McLeod-Tyson stated that she does not agree with everyone having to pay the same rate.

McLeod-Tyson stated from a private citizens economic analysis why would I paying the same amount of money as someone who is going a mile when I am only going ten feet. McLeod-Tyson stated she does not support the one fare for everything.

Trustee Laitinen stated that his understanding of the motion from last meeting that the economic part of that statement was in relation to the equity analysis that was discussed previously and was part of the legal analysis. Laitinen stated that he is not disagreeing that type of study can be done and should be done but a good study will take months or up to a year.

McLeod-Tyson stated that she has been saying for months that this study needed to be done and made a proposal so EUPTA could have revenue until that was done.

Laitinen stated that McLeod-Tyson's proposal was an unfair proposal on revenues. McLeod-Tyson stated that was Trustee Laitinen's opinion and that probably affected his vote which is fine, but stated she has been pushing for an economic analysis for months and it hasn't been done. McLeod-Tyson stated that at the last meeting the board said we wanted a legal opinion and an economic analysis and we don't have that.

Chairman Waltman stated that based on Finance Director Gordon's analysis, each month that we delay based on 2018 and 2019 results is \$15,000-\$25,000 of revenue not being captured per month. Trustee Egan asked if that was lost revenue or revenue that is not being captured. Finance Director Gordon stated it is revenue that is not being captured.

Trustee McLeod-Tyson stated that this is why she thought it would be responsible of the board to at least make some revenue up but that failed so it was the boards choice not to make any money at that time.

Trustee Egan stated that he doesn't disagree. Egan stated that he is a County Commissioner and also a Drummond Island resident. Egan stated that this is all about revenue. It's not about miles or what boat costs more, we are trying to fix a hole in revenue and to be Act 51 compliant. Egan stated that as far as revenue goes, Drummond Island is making revenue, Sugar Island makes revenue sometimes and Neebish Island doesn't make revenue and we need to make those more equitable. Egan stated that its not necessarily about how far the crossing is. Egan stated to Trustee McLeod-Tyson that he understands that she feels the optics and level of service are the same. McLeod-Tyson stated that she feels people will see it that way. Egan stated that he has heard so many people on Drummond Island say that people on Sugar Island can leave every 15 minutes whereas Drummond residents are waiting an hour therefore they are getting a higher level of service and paying less. McLeod-Tyson stated Neebish pays more than anybody and has the least opportunities. Finance Director Gordon stated that the rates at Neebish are in between Sugar and Drummond. McLeod-Tyson stated that they are still paying a lot of money and stated that is part of the economic analysis. Egan stated that he doesn't disagree that EUPTA needs to bring in experts for an economic study as well as a five-ten-year plan. EUPTA needs to be looking at what will be the best for Island residents as well as EUPTA. Egan stated that as the population on the islands grow, so will the ridership. Egan stated when we do things like this, we should have an equity study done to make sure the residents aren't paying exorbitant prices for the services they are receiving.

McLeod-Tyson stated that she feels when EUPTA does start looking at this it needs to be apples to

apples and done by categories as she feels the biggest concern is the people that live there, the commuters. McLeod-Tyson stated that Drummond is fortunate that they have a rather robust tourism industry that supports them that the other islands don't have. McLeod-Tyson went on to state that if we look at the impact this is going to have on individuals, we should look at those by categories. She stated that this will affect the tourists on a small scale but will affect the commuters on a daily basis.

Trustee Laitinen stated he would like to amend his motion as follows:

IT WAS MOVED by Trustee Laitinen; **SUPPORTED** by Trustee Egan to adopt the proposed fare restructure as presented; in addition, staff is directed to acquire the services of an outside firm to perform said economic impact and fare equity study and that the board re-evaluates one year from today.

DISCUSSION:

Trustee McLeod-Tyson objected and stated that the previous decision of the board was that we would have an economic analysis before we made a decision. McLeod-Tyson stated that this is overriding a previous decision.

Finance Director Gordon stated that there are service development new technology grants and she believes those can be used for the above-mentioned studies. MDOT has reported that these studies will take about a year as it takes time to apply for the grant, see if you receive the grant, and solicit firms to do the work.

Trustee Egan asked if this would also include a recommendation on instituting an electronic fare collection system. Egan stated he feels this would be a good time to have someone look at how we collect and see if there is a better way we can do it.

Trustee Laitinen stated he felt that the fare collections system should be separate.

Trustee McLeod-Tyson stated that she would still like the record to reflect that she objects to the legitimacy of the motion and that it is undoing something that was presented to the public as something we were going to do and we aren't doing it.

Chairman Waltman stated that this board cannot bind a future board decision and McLeod-Tyson stated this is binding ourselves. Chairman Waltman stated that we can change decisions. Trustee Egan asked if the board could amend the previous motion. McLeod-Tyson stated that the board made a commitment to people that these were the things we were going to do and now were not. Trustee Laitinen stated that is the opinion of one board member and that his opinion is that the board has covered their bases.

McLeod-Tyson stated that the motion said EUPTA would get a legal opinion and an economic analysis and we don't have an economic analysis. She stated that is what we told the public we were going to do and we have not done that and we are going to go ahead and try to pass this fare

restructure.

Trustee Egan stated that the board needs to get to a point that they can all agree. He stated EUPTA does need an economic analysis and we are being told it will take a year to complete this.

McLeod-Tyson asked if the board was being told this by people who have experience in doing an economic analysis. Director Paramski stated that the person who gave this time frame is the head of Office of Passenger Transportation. Egan stated that if the board gets it sooner, they can review it sooner. Chairman Waltman stated that EUPTA already has negative retained earnings and no company can be viable on an ongoing basis with this situation. Trustee French stated you can't unring the bell. French stated that once the rates are raised people are out the money. French stated that this will impact the population and we will affect their economic wellbeing.

Chairman Waltman called for a roll call vote:

Trustee McLeod Tyson – No, Trustee Egan – Yes, Trustee French – NO, Trustee Laitinen – Yes, Chairman Waltman -Yes, Motion carried.

VIII: 2ND PUBLIC COMMENT:

Ron Papin asked what happened with Senator Schmidt getting more funds. Papin asked if it had been determined if that money was for capital or operating funds. Paramski stated that this money was for capital and not operating funds. Paramski explained that capital money does not go towards operating costs and it got vetoed out of the budget and did not get put into the first supplement. Trustee McLeod-Tyson asked about the current amount that is put aside for capital and asked if there was requirement or any law or directive to put that amount in there. Finance Director Gordon stated that was directed by the board before her time. McLeod-Tyson stated that it is conceivable that the increase EUPTA received for capital could be put into another account. Gordon stated that EUPTA has to come with a 10% match for grants. McLeod-Tyson stated that EUPTA could contribute less to the capital cost center if we get an increase from the state and put that money into revenues. Gordon stated that if the board approved to put less money into the capital match plan that could be done. Laitinen asked Gordon if the capital funds EUPTA receives require a match. Gordon stated they did, meaning the more capital that comes from the state, the more EUPTA has to match. Paramski stated that since he has been at EUPTA, a previous board talked about increasing this account. Egan stated that EUPTA is getting a new boat on Neebish and Drummond and Sugar need new boats. He stated that Sugar Island has ice problems and one of the fixes is to make sure they have a boat that can handle the ice. Egan stated that EUPTA needs to put that money away especially if EUPTA can't get 100% from the federal government. Gordon stated that the state marine capital is and has been all over the place. Gordon stated that it makes her nervous to reduce that fund as EUPTA has to split the money with Beaver Island and currently the amount EUPTA receives doesn't even cover a drydocking. Egan stated he believes the board should look at this every 6 months to a year to ensure the money going into the capital match is appropriate or if the money should go someplace else. Egan stated that McLeod-Tyson brings up a valid point that the

board needs to examine this on a regular basis.

John O'Dell asked when the fare increase would begin and how will existing ferry tickets be credited. Gordon stated that EUPTA needs time to transition and get new tickets printed. Egan stated that the public also needs time to prepare. Paramski stated that at this time there is not an implementation date and existing tickets will be honored through their expiration date. Egan stated that he would go a step further and give 8 months or a year during this transition, but this will have an impact on our equity and economic analysis study.

Kristy Beyer stated that the Drummond Island Tourist Association applied for an MDOT grant for a feasibility study to provide bathrooms that would be run by Drummond Island and the tourist association however it wouldn't be for about 2 years. Beyer also asked if the EUPTA could update the website with the most current proposal.

IX. BOARD COMMENT

Trustee Egan stated that EUPTA is looking at building a new facility. Egan stated that he feels, as an Island resident, that the facilities that we already have need to be maintained to a level that makes EUPTA proud. Egan stated that the bathrooms in Detour are still not being cleaned properly. Egan stated that they have increased the number of days that they are cleaning to four times per week and they are still not clean. Egan stated that we have a commitment to our passengers that if we are going to provide them a bathroom, we should be proud to use it. Egan stated that the majority of commuters will go to a gas station up the road to avoid using our bathroom. Egan stated that the museum is not keeping their end of the bargain in regards to cleaning the bathroom and we need to come up with a solution. He suggested possibly charging the museum a certain amount of money each month so EUPTA can maintain them but stated something needs to be done.

Paramski stated that he has given this a lot of thought. Paramski stated that any time you have public bathrooms there will be problems. Paramski stated that that the year-round roadside parks are staffed. He stated that all it takes is money and it just depends on how much the board wants to spend. Egan suggested that Paramski bring the board different levels of proposals they could make a decision. Egan also stated that the parking lot is poorly plowed and we need to maintain it. Finance director Gordon stated that EUPTA pays for the port a potty on the mainland side at Neebish, and shares the cost of the one on the Neebish side with other organizations. Gordon stated that EUPTA also pays for the ones on the Island side of Sugar and Drummond, although it is the responsibility of Drummond Township to make sure it gets emptied. Egan also spoke about the warm up shacks stating that the glass is often broken inside. Egan stated we have a camera system and it would be good for EUPTA's relationship with the public to create something better than the current warming shacks. Egan stated that we also need to work on our facilities and last year a group of Drummond

Island citizens painted the EUPTA building on the Drummond side. Egan reported that the building was shabby looking. Egan stated we need to be proud of our facilities and that includes cleaning up trash around the docks. Egan stated that you only create a first impression once. Paramski stated that he couldn't agree more. Chairman Waltman asked that Paramski give an update at the next meeting.

Trustee French asked where EUPTA was at with the electronic collection of fares and when is EUPTA going to move into the 21st Century. Paramski stated that EUPTA met with another vendor in December. Paramski stated that EUPTA is actively pursuing this. Egan stated that he feels it may be time to bring in a consulting firm to see how EUPTA can best update the collection system. Egan stated this might mean we create a house for people to buy tickets and give it to the deckhand or completely overhauling it. Egan also stated that all of the cameras need to be updated and working. Paramski stated the money has been budgeted for camera updates.

Trustee French stated that she wants a timeline regarding the electronic ticket collection. She stated she doesn't care if its 6 months or a year but she wants something in the minutes. French stated EUPTA is not getting anywhere by talking about it and it needs action. She stated that as a business owner she solved her problem of electronic collection and stated it is not that difficult and EUPTA can move forward with doing this.

Trustee Laitinen stated that the County Clerks office informed him that all appointed board members should take an Oath of Office. Trustee French asked why and Laitinen stated it is a requirement of being an appointee. French stated that she is on numbers boards and has never taken an Oath of Office. Egan stated he will pose the question at the next County Commission meeting.

Trustee French stated that she was not aware that the board positions at EUPTA were 2-year terms until she read the Articles of Incorporations. French stated that Luce County has been appointing ever year. She stated that she has now brought this to her boards attention and they will be advertising for people to be on the EUPTA board. She stated they will do a one year and a two year and after that it will be two years. Gordon stated that in Luce County every year someone's term is up.

Trustee Egan asked if Chairman Waltman was also the Personnel Chair. Waltman stated that last year the board formed a personnel committee. Laitinen and Waltman both stated that the board decided to elect officers at the February meeting.

Gordon asked if the board was going to decide on an implementation date for the fare increase at a later date. Trustee Laitinen asked about a reasonable time frame and Egan suggested Gordon bring an implementation date to the next meeting.

IT WAS MOVED by Trustee French **SUPPORTED** by Trustee Egan to hire a consulting firm to further the electronic collection process. Trustee McLeod-Tyson opposed. Motion carried.

DISCUSSION:

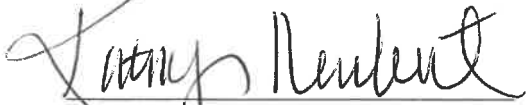
Trustee Laitinen stated that it would be nice to invite the consultant to a board meeting so the board can see a presentation of what technology is available and the pros and cons of each system. Trustee Egan stated that as Paramski gets updates on this that the board get regular updates.

XI. ADJOURNMENT:

Being no further business to come before the Board, **IT WAS MOVED** by Trustee Egan; **SUPPORTED** by Trustee French to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 12:50 pm. **The next regular board meeting will be Tuesday February 25th at 10:30 a.m.**



John Waltman
Board Chair



Prepared By: Kathy Neubert
Administrative Assistant