



EASTERN UPPER PENINSULA TRANSPORTATION AUTHORITY

4001 I-75 Business Spur

Sault Ste. Marie, MI 49783

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Special Board Meeting Minutes

DATE: Tuesday, January 23rd 2020

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

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

MEMBERS ABSENT: None

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

ADMINISTRATIVE STAFF ABSENT: None

OTHERS PRESENT: See Attached

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I. CALL TO ORDER:

The meeting was called to order at 1:30 p.m. by Trustee Waltman.

II. ROLL CALL OF TRUSTEES:

All trustees were present.

III. PUBLIC COMMENT:

Jesse Knoll stated he has attended a lot of meetings over the years and stated that needing to raise rates for retirement benefits that EUPTA didn't pay shouldn't have been a surprise. Knoll stated that he has sat through meetings and listened to the Auditors say EUPTA was mishandling things for the last 15-20 years in meeting obligations for retirement and health insurance. Knoll stated that if anything is wrong it is the previous boards sole responsibility.

Lynda Garlitz asked the board who EUPTA is accountable to. Waltman stated that EUPTA is accountable to regulators and have external audits done every year. Waltman stated EUPTA falls under MDOT as well as Coast Guard regulations. Garlitz asked if she did a FOIA request if she could get a list of all the agencies EUPTA is accountable to.

Tim Moher stated he didn't speak at the last meeting about what they had worked on from 12/6/19-12/20/19. Moher stated that they worked on a ferry fare proposal and the board members were given that proposal and it was different from the one he got. Moher stated that in the lower right-hand corner his had the cost of a trip to Drummond Island and a cost of trip to Sugar Island. Moher stated that Finance Director Gordon calculated that at \$75.00 per trip for Drummond Island and \$32 per trip for Sugar Island. Moher stated that for some reason that was not given to the board and he wanted to make sure they knew that. Moher also stated all three ferry systems are losing money. Moher stated that as a result of the ferry fare proposal that has been passed, his wife will have a 40% increase in her commuter fare on Sugar Island. Moher went on to say that Neebish Island will have a 5% commuter fare increase and Drummond Island won't have an increase on their commuter fare. Moher stated that EUPTA has a seven-million-dollar pension liability and he has looked at the corrective action plan. The plan states that EUPTA has to pay twenty million dollars over the next twenty years. Moher stated it is imperative that EUTPA's revenues cover that or the people with the pensions will have a rude awakening Sugar Island is going to do everything it can to keep their costs down because they don't have a choice.

Betty Freiheit asked how the board could arbitrarily make decisions and raise rates without having the publics input. Chairman Waltman stated that EUPTA had meetings on each Island with public input and a public meeting. Waltman stated that the board did get a lot of comments from the public. Freiheit stated the action was taken and the board approved the rate hike. Chairman Waltman stated it was approved

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Mr. Gillis asked why the board couldn't take two more months and figure it out and crunch some numbers. Gillis stated that a study needs to be done and doesn't think it's fair if it cost more to operate Drummond than Sugar Island residents have to pay the same. Gillis stated that he heard of a meeting where the itinerary was put out and then it got changed at the meeting. Gillis stated that people will look at the itinerary and think they don't need to attend and then it changes. Gillis stated this means someone has an agenda and he thinks a two-month siesta should be taken to figure it all out. Paramski stated that this isn't something EUPTA just came up with as they have been working on this for 8-9 months. EUPTA put together a task force which was a cross section of employees. Paramski stated that it wasn't just take it or leave it as EUPTA went to all three islands and did a presentation on how EUPTA is funded, why we need the fair increase and how we proposed going about doing it. Paramski also stated that after the island meetings, EUPTA had another meeting at Kinross Township Hall to gather public opinions and ideas.

Julie Wilson asked why EUPTA didn't take into consideration the 60/40 split. Wilson asked what EUPTA was going to do in 10 years when they don't make their quota as people are not going to come to the islands. Wilson stated she is lucky but others don't have a pension coming in and don't make that much money. Wilson stated EUPTA will either force people to move or lose profit and will be in the hole. Wilson stated that she also wanted to say thank you to the Sugar Island ferry crew for rescuing that girl the other day. Wilson stated it made everybody hold their head up a little higher instead of coming here to argue. Wilson confronted Trustee Egan regarding his cell phone. She stated that this is a meeting and wanted to know what he was going to do with his phone. Egan stated he was looking at the revised rate sheet and that he keeps all of his information on his phone. She also stated that at the last meeting Egan was giggling about it and that's why she thought she would ask.

Waltman then addressed the pension stating that EUPTA has a program that was negotiated with MERS and EUPTA is making those obligations.

Tony McLain asked how many members of the six-member committee are fee paying riders of the ferry system. Paramski stated that none of them are. McLain stated that was a basic first mistake as there wasn't a representative committee making decisions.

IV. TITLE VI COMPLAINT DISCUSSION:

Trustee Laitinen stated that all board members received a document and asked if the status of the complaint and if it had been filed. Paramski stated that it has not been filed to his knowledge. Trustee McLeod-Tyson asked if the letter that was sent from the attorney had been sent to the person who was going to file the complaint. Chairman Waltman stated it had not been sent and Paramski reiterated that.

V: CLOSED SESSION:

IT WAS MOVED by Trustee Laitinen; **SUPPORTED** by Trustee Egan to go into closed session

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under section 8H of the Open Meetings Act to discuss our attorneys recommended course of action on this complaint. A roll call vote was taken at 1:49 p.m.

Trustee McLeod Tyson –No, Trustee Egan – Yes, Trustee French – No, Trustee Laitinen – yes, Chairman Waltman - yes

IT WAS MOVED by Trustee Egan; **SUPPORTED** by Trustee McLeod-Tyson to return to open session at 2:14 p.m. **UNANIMOUS**. Motion carried.

IT WAS MOVED by Trustee Laitinen; **SUPPORTED** by Egan to move forward with the advice of our legal council with a draft letter regarding the potential complaint.

Discussion: Chairman Waltman asked if the letter would go to Mr. Menard. The draft letter would go to the board for approval first and then to Mr. Menard after approval.

Trustee Egan stated that he is hopeful that by having the fare restructure reviewed by an impartial body, it will help people understand that EUPTA is trying to do this as fairly as possible. **UNANIMOUS**. Motion carried.

VI: 2ND PUBLIC COMMENT:

Mike Pine asked if the board could advise the public of what the complaint was and who filed it. Mr. Koerner stated that it would be subject to Freedom of Information request and that the board can divulge that information without a request if they so choose. Trustee McLeod-Tyson stated that since one of the people is in the room, shouldn't the board be courteous and asked if they want their name public. Trustee Egan stated that on the complaint form the complainant checked that their name could be released to the transit provider and stated that he didn't necessarily want the complaint to be anonymous. Trustee Egan stated that in the interest of being as transparent as possible, he is in favor of releasing the information. Trustee Laitinen asked Director Paramski to give a synopsis of the complaint. Egan stated that his understanding is that EUPTA is waiving the FOIA process and that part of the reason that questions come about is that sometimes EUPTA is hesitant at passing out information as freely as we should.

Mr. Koerner stated that his recommendation would be to provide a copy of the complaint to anyone who would like one following the meeting rather than giving a synopsis of the complaint.

John Willis stated that he is a senior citizen and his rates will be raised 100% on Sugar Island and EUPTA didn't raise Drummond Islands rates. He asked how EUPTA could discriminate against one and not the other. Chairman Waltman reported that EUPTA's attorney has reviewed the fare restructure and has determined it is in compliance with regulations.

Jesse Knoll asked about free rides on the ferry. Knoll asked if EUPTA employees had declare this for income tax purposes as part of their pay. Finance Director Gordon reported that employees are taxed on their rides.

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Jay Perron asked about the generator on the Sugar Islander. He asked why the generator wasn't hooked up to run the ramps during the last storm and why the generators are run 24/7. Director Paramski stated that the generators are alternated on 12-hour shifts. He stated that there are components on the boat that require AC power such as navigation.

Jesse Knoll stated that there were a couple of semis that were stuck on the Island during the last power outage. He stated that the deckhands decided it was a lot of work to lift that heavy cable up.

Tony McLean stated that the problem is that the initial committee did not represent anyone in this room that rides the ferry. He stated that his recommendation would be eliminate the original committee and appoint a representative board that includes disabled and representatives from each Island. McLean thinks that if EUPTA had a committee that was all represented 85% of the people would accept the fact that there is going to be a fare increase. Trustee Egan stated that he agrees that the restructuring was flawed and have learned a lot from it. Egan stated that it does not change the fact that the current structure is fair and probably fairer than any rate structure EUPTA has had in the past. Egan stated it is time to bring in an impartial jury and let them look at this. Egan stated he has made a request to both Senator Schmidt's office and Representative Chatfield's office as well as the MDOT to attend our next meeting to help us create something else or fix what we have. Egan stated that EUPTA does not have By-Laws to help guide on things like this. Egan stated it is something that needs to be created so future boards don't have issues like this.

Jim Fischer asked why Egan doesn't make a motion to what he said above. Egan stated that EUPTA has an FTA complaint and needs an impartial look at what was created.

Trustee McLeod-Tyson stated that the FTA will be looking at the restructuring to see if it violates Title IV not the fairness of the restructuring and she does not want the public to think its an evaluation of the entire restructuring.

Trustee McLeod-Tyson stated that two members of the audience have asked about a secondary committee and asked if it was appropriate to make a motion outside of the purpose of the meeting. McLeod-Tyson stated she wanted to explain to the public that because this is a special meeting no motion can be made but she will make a note to bring it up at the next meeting.

Jessie Knoll stated that in previous years the meetings were at 4pm the first Monday of the month and people who wanted to attend could take an hour off of work. Trustee French stated that she is one of the reasons that the meeting is in the day time. French stated she drives 75 miles one way to get to the meeting and it's okay in the summer time but not in the winter. She stated she was the one who suggested moving the time of the meeting and feels whenever you have it won't be a good time for someone.

Tim Moher stated that two proposals were done and he would urge the board to get a copy of the

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second proposal from the Executive Director that the board did not see. Moher stated that they did something that brought in 2.1 million plus dollars in revenue and it was a minor adjustment. Moher stated it was increasing the walk on passengers to four dollars and two dollars.

VII. BOARD COMMENT

Trustee French stated she would like to thank everybody who attended the meeting and that she writes down all the comments and takes it home to process it.

Trustee McLeod-Tyson stated that it is obvious from the comments that were made and the amount of people that come to the meetings that the fare restructuring isn't going to be received well. McLeod-Tyson stated that she still suggests that EUPTA take the time to do an economic analysis as there may be ways for EUPTA to make more money without just raising fares. McLeod-Tyson stated that there are other opportunities can that can be identified by people who have the expertise to do that. McLeod-Tyson stated she thinks that the current fare proposal that the majority of the board voted for will be bad for EUPTA eventually. McLeod-Tyson referenced the Sault's water problem and raised the rates all at once and people couldn't afford it so they cut back on their usage. McLeod-Tyson stated that she see's the same thing happening to this organization.

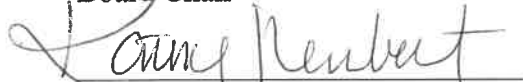
VIII: ADJOURNMENT:

Being no further business to come before the Board, **IT WAS MOVED** by Trustee Laitinen; **SUPPORTED** by Trustee French to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 2:40 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