

# Board Meeting Minutes

**DATE:** Wednesday, September 3, 2014

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

**MEMBERS PRESENT:** Ted Postula                      Jack Kibble  
Frank Sasso                                      Ron Ford (new member-Luce County)

**MEMBERS ABSENT:** Dennis Robinson

**ADMINISTRATIVE STAFF PRESENT:** Chuck Moser                      James Dunn, Attorney  
Lynda Schexnayder

**ADMINISTRATIVE STAFF ABSENT:** Akemi Gordon

**OTHERS PRESENT:** No public present

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### **I. - II. CALL TO ORDER/ROLL CALL**

The meeting was called to order at 4:03p.m. by Chairman Sasso. All Directors were present with the exception of Dennis Robinson.

### **III. PUBLIC COMMENTS**

There were no public comments.

### **IV. APPROVAL OF BOARD MINUTES –August 4, 2014**

With regard to Minutes for August 4, 2014; **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to approve said minutes. **UNANIMOUS.** Motion carried.

### **V. FINANCIAL REPORT-P.E.-July 31, 2014**

#### **IN GENERAL**

Director Chuck Moser and Attorney Dunn gave an explanation to new board member, Ron Ford, how MDOT and EUPTA work together.

Director Chuck Moser gave report for Finance Director Akemi Gordon. Gordon reported with regard to the proposed FYE 2015 budgets; she budgeted based on the most recent 12 months of operation for both the bussing and ferries.

The State operating assistance is budgeted using the "floor" amount of \$191,263. This will benefit EUPTA by approximately \$20,000 in state assistance. If we were to use the reimbursement percent of 37.378% based on our budgeted expensed, we would be receiving \$171,086. Our overall expenses are budgeted with an overall 8% decrease. This is because we no longer have the post-retirement health fund flowing through our financial statements.

The ferries expenses are budgeted with a 7% increase. This is to anticipate increase costs in health insurance, retirement and fuel. The revenues are estimated using the most recent traffic as well as the fare increase that took place the end of May.

**IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to accept the 2015 budgets as presented. **UNANIMOUS.** Motion carried.

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### **BUSSING**

Moser reported for Gordon; combined YTD ridership is down 3% (Chippewa is down 5% and Luce is up 12%). Luce County's increase is partly due to the extra service hours in the evening and on Saturday's.

On page 5 of the financial statements we're operating with a deficit. Some of this is due to our contract fares being down over 16% and we also had an extra pay period in July. This extra pay period will smooth out in next month's financials as there was 3 pay periods last year in August.

### **FERRIES**

EUPTA had a good July for the ferry system with a 12% increase in fares. The vehicle and passenger counts are still down 6% and 3% respectively. This shows that the increase in fares is mostly due to full cash paying traffic. Our deficit has been reduced from almost \$210,000 the end of June to just over \$140,000 the end of July.

## **VI. DIRECTOR'S REPORT**

Director Moser welcomed and introduced new board member, Ron Ford. Ron was appointed by the Luce County Commission to replace Mike Herbst who resigned as a result of accepting a job down state. The term for this appointment is a two year term expiring at the end of December 2015.

Mr. Ford introduced himself and gave the board his background information.

### **FERRIES**

Moser reported hopefully we now have a draft labor agreement that can be approved by the board. We have been operating on a verbal agreement since last winter when the previous three year agreement expired. There have been some pretty significant changes in regard to the post retirement health benefits. Also, there have been other language changes in regard to the new 12 hour shift assignments, permanent part-time status, to name a couple. The tentative agreement for wage increase is 1.5% of the hourly rate which would be paid retro-actively to the date the previous contract expired (2/1/14). There would be an additional one-half % increase provided that we finish the 2014 fiscal year with a \$20,000.00 surplus over costs. This will not happen this year although we have been gaining on our operational deficit since raising rates this past spring. If traffic had grown we may have had somewhat of a surplus, but traffic numbers are still a concern. We were still down by over 20,000 vehicles at the end of July. The company also agrees to reopen the contract for wages only in October of 2014 and 2015. If there are no significant concerns, I would recommend that the

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board approve the new agreement. Following a short discussion **IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula to accept this union contract. All were in favor with the exception of Ron Ford who abstained because he is a new member and not familiar with the contract.

Moser reported it has taken a lot of persistence, but he has received permission to continue utilizing the balance of the (FBD) grant that we used to purchase the Fogcutter property. There is a provision that the funds are spent in a way that is directly related to the property that was purchased with the grant. Planning would be an acceptable way to expend some of the balance. He feels that it would be in our interest to have a consultant research the potential uses for this location and come back with a report.

Moser reported with regard to Neebish II Upgrade Project; we have received five responses from our Request for Qualifications solicitation. All five are impressive and responsive. We are in the process of completing the evaluations and hopefully we will be able to negotiate acceptable terms with the highest scoring firm. The firm will be tasked with preparing technical documents including design/engineering, preparing bid documents, bid letting, and project oversight for the upgrades to the Neebish Islander II. This will include strengthening the car deck, upgrading the wiring system, replacing fuel tanks, and raising the bridge.

### **BUSSING**

Director Moser reported it appears that Pathways has been going through some changes in management. The former CEO left due to health reasons. Mary Swift has been the acting CEO and our contact there seems to think that she will continue on in this capacity as opposed to advertising the position. As we reported before, we were informed by Pathways that they would no longer be utilizing our service. However, Moser was contacted by their contracts supervisor to arrange a "site visit". So it seems that there have been some communications problems somewhere along the line.

## **VII. ELECTION OF OFFICERS**

**IT WAS MOVED** by Director Kibble; **SUPPORTED** by Director Postula that the officers remain the same. **UNANIMOUS.** Motion carried.

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**VIII. ATTORNEY'S REPORT**

Attorney Dunn had nothing new to report.

Dunn noted there may be changes in the transportation package and reiterated keeping watch on the 50% after the upcoming election. Dunn spoke briefly regarding the differences between Beaver Island and EUPTA.

**IX. ADJOURNMENT**

Being no further business to come before the Board, **IT WAS MOVED** by Director Postula; **SUPPORTED** by Director Kibble to adjourn. **UNANIMOUS.** Motion carried. Meeting was adjourned at 5:00pm. The next regular board meeting is scheduled for Monday, October 6, 2014 at 4PM; Luce County Courthouse (small courtroom) in Newberry.

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Ted Postula, Sec. /Treas.

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Prepared By: Lynda Schexnayder