

Board Meeting Minutes

DATE: Monday, May 4, 2015

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

MEMBERS PRESENT: Ted Postula Jack Kibble Ken Gill
Frank Sasso Ron Ford

MEMBERS ABSENT: None absent

ADMINISTRATIVE STAFF PRESENT: Chuck Moser Akemi Gordon James Dunn, Attorney

ADMINISTRATIVE STAFF ABSENT: Lynda Schexnayder

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.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF BOARD MINUTES –April 6, 2015

With regard to Minutes for April 6, 2015; **IT WAS MOVED** by Director Ford; **SUPPORTED** by Director Postula to approve said minutes. **UNANIMOUS.** Motion carried.

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

GENERAL

Finance Director Akemi Gordon went over GASB 68-Accounting and Financial Reporting for Pensions. GASB 68 will require that pension information be in the financial statements rather than just in the footnotes. The unfunded liability will now be on our balance sheet. GASB 68 will take effect the end of this fiscal year. Gordon reported that our defined plan is approximately 67% funded.

BUSSING

Gordon reported a slight decrease in passengers, 212 in Chippewa County and an increase of 42 in Luce County. The decrease in our fuel expense has really helped our bus system continue to operate with a small surplus. Last year we had around \$3,500 more in parts and materials.

FERRIES

Gordon reported the ferry's had a good March. We carried 1,726 more vehicles/trailers and over 3,500 more passengers. We spent \$9,300 less in expenses and our overall revenue increased 3.36%. Our YTD deficit is 35% less than a year ago.

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VI. DIRECTOR'S REPORT

Director Moser reported we had a nice weekend of business at Drummond. The spring perch run is on and most of the increase in traffic is due to that. We were even busy with fisherman coming on Sunday. Sounds like room rentals were pretty well booked too which makes a lot of the businesses and restaurants happy.

Moser reported today we finally received word from MDOT, the approval letters necessary for both the RFQ for a naval architect, and RFP for a consulting firm (that will work on the future development plans for the Fogcutter property). We will be getting them advertised and posted to our website right away. The budget for the naval architect will come from existing capital that we have under contract. And the budget to pay for the consulting firm will come from the balance of the federal funds that we initially utilized to purchase the Fogcutter property.

Moser reported our contract with the independent contractor for the Neebish Island service calls for negotiating compensation after each season. Moser has asked the operator to be patient this year as we have just recently asked the same of our own ferry group employees where they have agreed to continue on at the same rate of pay until we sit down again this fall. This was agreeable with the operator. Hopefully we will have a busy enough year to get back up to speed with the compensation packages. The operator there does not get extra compensation for extended season service. One complaint he has is that the "special" rate there is so low that he is really forced into a lot of specials. The current rate is \$55.00. Moser let him know that sometimes it is not easy for the board to adjust rates and schedules without giving the public the chance to weigh in. Especially when it comes to unilaterally changing levels of service or fares. Moser also explained that we just recently did have the opportunity to address the issue last spring at the public hearing in Kinross.

Attorney Dunn noted that it can be recommended at a board meeting to increase the special fare rate at Neebish and then passed at the next meeting. It was suggested that Director Moser check into this and come back to the next board meeting.

Moser reported we have the annual DNR fish plant booked for Thursday. We quoted the same rate as last year which will allow us to make out a little better as fuel costs are much less than at the same time last year. We will charge them \$800 unless it takes more than 4 hours (which it never has).

Moser reported he and Finance Director Gordon attended the annual Michigan Transit Pool meeting two weeks ago.

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Moser reported he is meeting with the new City Manager tomorrow regarding this building. MDOT will not allow us to put any money into this building because we do not own it. This will be an information sharing meeting.

There was some discussion regarding a handicap accessible van in Newberry.

VII. ATTORNEY'S REPORT

Dunn reminded the board; tomorrow is the vote for Proposal 1. There was discussion regarding the negative effect this will have on us if this proposal does not pass.

VIII. 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 5:10pm. The next regular board meeting is scheduled for Monday, June 1, 2015 at 4PM.

Ted Postula, Sec. /Treas.

Prepared By: Lynda Schexnayder