



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, June 25th, 2019

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

I. CALL TO ORDER:

The meeting was called to order at 10:30 a.m. by Trustee Waltman. New Trustee Rob Laitinen was introduced and he gave some background information on himself.

II. ROLL CALL OF TRUSTEES:

All trustees were present.

III. ADDITIONS/DELETIONS TO AGENDA:

Director Paramski asked to move the directors report before the Financial report and add closed session to discuss a possible real estate acquisition. Trustee McLeod asked for an additional amendment to be made to the agenda adding meeting procedures to the agenda. **IT WAS MOVED** by Trustee McLeod Tyson; **SUPPORTED** by Trustee Egan to approve agenda changes. **UNANIMOUS.** Motion carried

IV. PUBLIC COMMENT:

One member asked if the Board would be talking about the ferry fees for Sugar Island.

V. APPROVAL OF BOARD MEETING MINUTES:

Trustee Egan stated he would like to make an amendment to the Board minutes. He stated he did not feel they accurately reflect the Director's report. Egan stated that they don't mention that it was an action item to change the 3:10 a.m. and 3:40 a.m. and also the winter schedule as that was an action item that was tabled and voted on. Chairman Waltman read the Directors report and stated "no decisions were made regarding any schedule changes and this item was tabled until a later date". Trustee McLeod Tyson stated for discussion purposes she would second the motion. Egan stated that it was presented to the Board and Brad made a case for a schedule change and that's not reflected in there. Egan stated that he feels it was pushed aside like it was an informational item and he stated that we could have changed Drummond Island's schedule 10% had we so chosen.

With regard to the Board Meeting Minutes for May 7th, 2019 **IT WAS MOVED** by Trustee McLeod Tyson to amend Trustee Egan's motion **SUPPORTED** by Trustee French to table approval of board meeting minutes until we have a chance to review the tape recording to see if it is accurately reflected. **UNANIMOUS.** Motion carried

VII: DIRECTORS REPORT

IN GENERAL:

Director Paramski stated that he had just gotten word today that the Invitation to Bid for the Fog Cutter demolition project has been approved and we should have that back in the next few days and can advertise. Paramski stated that there have been a lot of revisions back and forth with Lansing but is hoping by the end of July EUPTA will have a contractor on Board.

Paramski discussed the Category F project at the Sugar Island Ferry Dock road which is in conjunction with the MDOT Portage Avenue. Paramski reported that there is an updated progress schedule that was received yesterday. Payne and Dolan, Inc. is the prime contractor and work will begin 7/9/19 and work will begin at the ferry dock around 7/29/19.

FERRY SYSTEM:

Paramski reported that the Naval Architect for the design of the Neebish Islander III has been approved. Paramski stated that we are waiting on the Third-Party contract from Lansing and Seacraft Design out of Sturgeon Bay Wisconsin has been selected. Paramski stated Mark Pudlo is the owner and Chief Naval Architect for Seacraft design was an architect for the design of the Drummond Islander IV.

VI: FINANCIAL REPORT:

IN GENERAL:

Finance Director Gordon presented the electronic funds report.

Gordon stated that the April Financial statements were sent with the board packets and she will be sending the May financials to Board members separately in the mail.

Gordon stated that EUPTA has had a fare restructuring taskforce that has met a couple of times. The task force included a couple of staff from Drummond Island and Sugar Island as well as Gordon and Paramski. Gordon stated that this has been a round table discussion regarding fares and fare restructuring. Gordon reiterated that this is very preliminary and in draft form.

Gordon presented a power point presentation on the restructure. She stated that it is not just an increase but that there is some restructuring that has been needed for many years. Gordon stated that

since she has been at EUPTA there has been a fare increase every five years and the last increase was in 2013 and EUPTA's expenses have increased 13%. Trustee Egan asked if the board could get a breakdown of the 13% to see what the major contributors are. Gordon stated that EUPTA's operating costs have increased yearly as fare rates have remained constant. Gordon stated that the first component of the proposed restructuring is eliminating charging for passengers. Gordon stated that based on EUPTA's total revenue the passenger fares that are collected make up about 10% of EUPTA's revenue and that revenue will be redistributed amongst all other classification of tickets. The second component of the restructure is possible re-balance of the discounts to make them fair and equitable. Gordon explained that EUPTA is funded by Public Act 51 and have to follow this act. Gordon stated that currently a regular commuter ticket for Drummond Island is discounted 64% and the senior/disabled commuter tickets are discounted at 82%. The Sugar Island commuter ticket is discounted 70% and the senior/disabled commuter tickets are discounted at 85%. The Neebish Island commuter tickets are discounted at 61% and the senior/disabled commuter tickets are discounted at 80%.

Gordon stated that the required discount of 50% has been taken off an already discounted commuter ticket. Paramski stated that if you read the law it states EUPTA must give a 50% discount off of *regular fare* not the already discounted commuter fare.

Gordon stated that there are only two agencies in Michigan, EUPTA being one of them, that receive Act 51 funding and EUPTA is very fortunate that we get reimbursed 50% of operating expenses by the State of Michigan.

Gordon stated that 55% of the commuter tickets sold on Drummond Island are regular car and driver tickets and 45% of the tickets sold are senior citizen/handicap tickets. On Sugar Island 53% of the tickets sold are regular car and driver and 47% are senior/disabled tickets. On Neebish Island 44% of the tickets sold are regular car and driver and 56% are senior/disabled tickets.

Gordon reported that the third component is the weighted increase for annual projected operating costs. Gordon stated that increased health care costs, Public Act 202 pension reform, hull insurance, training requirements, and cost of living increases.

Gordon reported than in an effort to cut costs, EUPTA has bid out fuel, hull insurance and printing costs. Gordon stated that in 2013 EUPTA eliminated the post-retirement health insurance for employees and replaced it with a health care savings program. Gordon also stated that the old MERS pension plan has been closed effective 6/1/13 and EUPTA adopted a new retirement plan at a lower cost, a lower factor and a longer vesting period.

Gordon talked about a preliminary time line regarding the fare restructuring and would like to get board feedback by mid-July, do a final presentation to the board at the August meeting, and hold a public hearing at the September meeting which would need to be held at a large venue and prepare for implementation, printing and training. Implement the restructure effective October 1, 2019. Trustee McLeod-Tyson stated that she would like to suggest an addition to the timeline. She stated that after the public hearing and prior to implementation that there be another board meeting to consider the public's input. Trustee Egan suggested that public meetings be held on each Island. including how we collect fares.

Chairman Waltman stated that if there is a public hearing held on 9/3/19 it would give the public ample opportunity to talk about it. Trustee Egan stated he feels the meetings should be held on each Island as there is a large elderly population on Drummond Island and a meeting at 10:30 in the morning may not be in their ability or the working man's ability. Egan stated that this is EUPTA's chance to create a policy/procedure for rate and schedule restructures. Trustee McLeod-Tyson stated that she would rather gather the public's input now as it could affect EUPTA's final presentation as we may get some public input that changes everything. Chairman Waltman stated that EUPTA may want to present the financial impact that this has on EUPTA. Trustee French agreed that the presentation should be done on the Islands as more people will come to their home territory. Trustee Laitinen stated that there is a monthly meeting on Neebish Island with their Improvement Association and this might be a good meeting to attend with a board member and staff. Egan asked that there be two board members present at the meetings on the Island. Laitinen agrees that their needs to be a formal public hearing as well.

Gordon ended her presentation by saying Public Act 51 requires EUPTA to come up with 50% of our operating expenses and EUPTA is not doing that at this time. The board will need to decide the shortfalls and the projected costs and who is going to absorb those costs. Gordon stated she has a couple of ideas of how to restructure the fares but the bottom line is EUPTA has to come up with 50% of our operating expenses to be eligible for the 50% matching funds from MDOT. Gordon stated that the projected costs from 2013-present and including the projected costs going forward is about \$600,000. EUPTA is reimbursed 50% of that so it brings the shortfall to approximately \$305,000 which then needs to be distributed between Drummond, Sugar and Neebish. Gordon stated she will send the board information as it shows what each Island has to raise to meet the minimum 50% and determine which of our users groups need to bear the increases due to the restructuring.

Paramski stated that EUPTA has to come up with 50% of the match money or we don't receive the any funding. This first draft proposal is a base-line starting point and is intended to initiate the conversation of the fare increase/restructure.

Trustee McLeod-Tyson stated that in an effort to improve she would like to propose another path to get funding which would include federal dollars. She stated that Tribes have transportation dollars however there are opportunities available. McLeod-Tyson stated she will speak with someone at her tribe in the Transportation department and see about setting up a meeting to talk about opportunities that EUPTA might be able to explore and get the federal elected officials on board with helping to pave the way for rural communities to have the same type of supports that the Urban communities have.

VIII. BOARD COMMENT:

IT WAS MOVED by Trustee McLeod-Tyson **SUPPORTED** by Trustee Egan; that for procedural purposes if there will be an action item discussed that it is specifically listed on the agenda. **SUPPORTED** by Trustee Egan; **UNANIMOUS**. Motion carried.

Trustee Egan stated that he would like to see EUPTA start video recording and posting meetings on line as there are a lot of people who can't make a 10:30 a.m. meeting as he feels they are not in depth enough. Gordon stated that we don't have the technology to do that at this time but would look into the cost of it per board direction.

IX: CLOSED SESSION:

IT WAS MOVED by Trustee McLeod-Tyson; **SUPPORTED** by Chairman Waltman; to take a five-minute recess before going into closed session. **UNANIMOUS**. Motion carried.

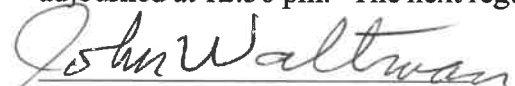
IT WAS MOVED by Trustee McLeod-Tyson; **SUPPORTED** by Trustee French; to go into closed session. A roll call vote was taken at 12:06 p.m.

Trustee McLeod-Tyson – I, Trustee Egan – I, Trustee French – YES, Trustee Laitinen – YES, Chairman Waltman – YES.

IT WAS MOVED by Trustee French; **SUPPORTED** by Trustee Egan to return to open session at 12:35 p.m. **UNANIMOUS**. Motion carried.

X. ADJOURNMENT

Being no further business to come before the Board, **IT WAS MOVED** by Trustee French; **SUPPORTED** by Chairman Waltman to adjourn. **UNANIMOUS**. Motion carried. Meeting was adjourned at 12:36 pm. The next regular board meeting is scheduled for Tuesday August 6th 2019.


John Waltman
Board Chair


Prepared By: Kathy Neubert