

Eastern Upper Peninsula Transportation Authority
Board Meeting Minutes
9/1/2026

I. Call to Order:

Board Chair, John Waltman, called the September 1, 2026 meeting of the Eastern Upper Peninsula Transportation Authority Board to order at 10:30 a.m.

II. Roll Call was taken:

MEMBERS PRESENT: John Waltman, Lynda Garlitz, Jeff Middlestead, Joe Henne,
MEMBERS ABSENT: Brandon Wheeler (excused)

III. Pledge of Allegiance:

Those in attendance stood for the Pledge of Allegiance to the Flag of the United States of America.

IV. Agenda: Discussion. It was moved and carried by unanimous vote:

MOTION: Lynda Garlitz SECOND: Joe Henne	Approve agenda as presented.
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V. Public Comment:

- None

VI. Minutes: Discussion; Trustee Middlestead wanted to comment and then rescinded and will finish comment during Board Comment; It was moved and carried by vote:

MOTION: Lynda Garlitz SECOND: Joe Henne	Approve the August 4, 2026 Regular Meeting Minutes as presented.
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Yes: Garlitz, Henne, Middlestead Abstain: Waltman

VII. Finance Director Report:

- Ms. Gordon fielded questions regarding A/P and the EFT transfers for July 2026. She also reviewed the graphs.
- Budgets for FY2027 is based on the information we currently know. The reimbursement rate for bussing from the State is 33.3016%, so a little over 33% of our operating expenses will be from the state, and we also get 18% operating expenses for our bussing reimbursed by the by the federal government. This is included in the budget
- The ferry budget, we'll receive 50% reimbursement of eligible expenses as per the language in Act 51. We are receiving \$125,000 again this year for the Mobility Management grant. This covers Kathy's position as our mobility manager, and all expenses associated with that position. All of them are from a balanced budget, so we are anticipating that we will be collecting enough revenue to cover all of our expenses next year. There is approximately a 9% increase for the upcoming year for expenses, and most of that is going to be salaries, benefits, and fuel. Fuel prices fluctuate daily

so we never know what is going to happen with that budget line item. The ferry budget has an increase of approximately 20% due to eight new full-time employees with benefits at Neebish. We are receiving Section 70 Federal Highway Operating Money again this coming fiscal year. That money will cover the additional costs that we have for the extra full-time employees. Discussion regarding budget items.

- Approve FY2027 Budgets: Discussion; It was moved and carried by unanimous vote:

MOTION: Jeff Middlestead SECOND: Lynda Garlitz	Approve FY2027 budget
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- Bussing – July revenue increased 7.4% and up 21% for the year, most from Chippewa and NEMT program. Also, anytime our expenses increase there will be an increase in our State and Federal reimbursement. Our expenses increased almost 12.5% for the year, most of that being wages and fuel. We have had to put some work into some of our vehicles; therefore, parts and materials are up from last year. The fleet liability and fleet insurance is up, but we've been adding vehicles to our fleet over the years, and that increases our insurance. We currently have 20 revenue vehicles, and that does not include our service vehicles. Six vehicles have lifts. Discussed the NEMT program and the fact that Kathy's time is now 100% mobility manager. It is evident in the bussing revenue each month.
- Ferries - July fares were pretty close with last year. They were within \$1,500. Total revenue, including our reimbursements, was up 8.4 percent for July and 18 percent for the year. This is also based on our reimbursement. When expenses are up, so is reimbursement. We received federal operating for the first time this year and that has also increased our revenue. Expenses increased 19% for July and 14% for the year. This is the eight extra employees at Neebish we have with benefits. Fuel has also added to our increase in expenses, along with parts and materials for the ferries. Ms. Gordon reviewed the graphs.

- Finance Director's Report: Discussion; It was moved and carried by unanimous vote:

MOTION: Lynda Garlitz SECOND: Joe Henne	Approve July A/P and EFT Transfers, Financial statements, and Finance Director's Report as presented
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VIII. Director's Report

- Drummond Islander V Design: Not much new to report. Director Paramski spoke with naval architect and he has reported that the 40% milestone towards completion for plans and specs will be met by September 11. The plans are on schedule anticipating a plan completing date of 01 JAN 27 or shortly thereafter, then bid to shipyards after holidays. The award will be approximately a month after and construction of the new ferry slated to begin early spring with a one year construction timeframe.
- Sugar Island Drydock – Good progress. Ramps are complete but not painted. They are 100% fabricated at MCM and it was a big project. Engine, gensets and

one gear is pulled and now in place. You can't do final drive train alignment until the boat is back in the water. 95% of the mechanical work is complete. Steel cleaning and painting are currently underway. They have to strip the deck to bare metal each drydock. Director Paramski provided a slideshow and explained each of the photos of drydock. Director Paramski fielded questions from board members. Yacht Solutions, the electronics navigational equipment subcontractor that does all of our work on our boats, was on site last week and placed new electrical panels in the pilot house. They were in and out and did a great job.

- Marine Inspections: All of boats are required to have annual inspections. Neebish was on August 13 and received a clean inspection. This is fairly rare. Great job to the crew! The USCG was impressed.
- Then on August 25th, we had our Drummond IV inspection. It went almost as well. We did receive an 835, and that had two very minor deficiencies. We had one life ring that was faded from UV rays that they rejected, and a rope that we had to replace for that life ring. There were some cracks on some welds down in the steering compartment for the ramp cable guides. That was also a great outcome for the inspection.
- The Drummond III is scheduled for September 17. That's kind of a loose, soft date right now, depending on what's going on with the dry dock project and the Sugar Ferry. It would be ideal to wait until we switch the D-III back out and the Sugar Islander back in. We'd like the D-III to stay up in the harbor after we switch it out, and do the inspection then.
- We are working on a roof project at Neebish Island. There's a small block building on the island side the crew uses for a little office and a warming shack. It has a leaky roof and there is some damage in there. A contractor is set to construct a sloped roof in the near future.
- Director Paramski reported that he and Ms. Gordon and Ms. Wolf attended the annual conference for MPTA last week, and EUPTA received a 50 year service award.
- Brian Azevedo retired on August 31, 2026. There was a retirement party for him and Ms. Kaunisto and Ms. Pratt attended to represent EUPTA.
- We are currently interviewing for deckhands at Sugar Island Ferry. We have not filled the full-time deckhand position that became open when Captain Ryan Behm moved up to fill in for the retiring captain.

IX. Old Business:

- None

X. New Business

- None

XI. Board Comment:

- Middlestead

XII. Adjourn: It was moved and carried by unanimous vote to:

MOTION: Joe Henne SECOND: Lynda Garlitz	Adjourn the meeting at 11:05 AM
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Lynda Garlitz, Board Secretary


Bonnie Kaunisto, Recording Secretary

Board Approved: 10/16/2020