



Board of Director Regular Meeting Minutes

April 20, 2015 Recorder: Donna Halvorsen

1. **Call Meeting To Order:** Harvey Mc Donald called meeting to order at 10:02am and noted that Christine Harrington will call in and we will temporarily suspend discussions so she can present her financial report.

2. **Roll Call:**

Chair	Thorne Bay	Harvey McDonald	present
Vice Chair	Klawock	Jeff Nickerson	present via teleconference
Sec/Tres	Craig	Otis Gibbons	present via teleconference
Director	Wrangell	Bernie Massin	present via teleconference
Director	Hydaburg	Jolene Edenshaw	absent/excused
Director	At Large	Dee Dee Jeffreys	absent/excused
Director	Coffman Cove	Brian Wilson	present via teleconference

Staff Present: Dennis Watson, Rich Rogers, Chrissy Torsey-Lucero and Donna Halvorsen

Staff present via teleconference: Len Laurance

Public Present: Sam Mooney

Public present via teleconference: Misty Fitzpatrick ties in via teleconference at 10:30am

3. **Approval of Minutes:** Motion: Approve January 6, 2015 Regular meeting minutes; moved by Harvey McDonald and seconded by Otis Gibbons. Motion approved unanimously.
4. **Approval of Agenda:** Motion: Approve agenda as presented; moved by Harvey McDonald and seconded by Otis Gibbons. Motion approved unanimously.
5. **Public Comment:** none
6. **Correspondence:** none
7. **Manager's Report:**
 - Dennis states that the funding we wound up with this year so far is \$250,000 from Ferry Boat Refurbishment fund and that there may be more but we won't know until later. We also received a \$250,000 operating subsidy; unfortunately it went from \$500,000 to \$250,000 but we can live with this because we received other money from other sources.
 - Dennis explains that we may get 3 million dollars to operate the Coffman Cove to Petersburg route. He states that this all just happened so a lot of questions are unanswered at this point. Dennis had talked to Jeff Ottesen with AMHS and he said they can't use their vessels to do the route because they are all being used due to budget cuts. Dennis told him we couldn't do the route until July 2015 at the earliest, and that we will work up some numbers to show what it will cost to make the run once a month, five months out of the year. Dennis states that it sounded like the

tentative plan is to run until the 3 million dollars is gone, and he will inform everyone as more information is obtained.

- The HYL dock project is moving along quite well. It's a massive structure and they are putting in the pilings and dolphins and have started on the dirt work. The vehicle staging area will be substantially larger, configured differently and paved.
- Rich and Walt have changed out life-saving equipment to send off for recertification. Walt has been working on getting our information together to get the Ferry Boat Refurbishment money; that money will cover an over-haul and blasting and painting (the bottom of) the M/V POW and several other smaller projects.
- There is a rumor that the state may expand our public parking area (on the right side as you approach terminal from the highway.)
- Bernie asks if the north run includes Wrangell. Dennis answers that it will probably only be Coffman Cove to Petersburg because those are the two docks that were paid for by FTA money. The AMHS was told that if they did not use them for ferry service, the money that built them would have to be paid back. That being said, we are at the beginning of this venture so more information will be coming soon. Bernie asks what we would have to do to get Wrangell on the route. Dennis states that Bernie should contact the state but to wait a little while because we are not even close to finalizing anything and that Deputy Commissioner in charge of AMHS Mike Neussl is the guy to talk to. Brian states that Coffman Cove is in the process of negotiating a contract for transferring the lease for the ferry terminal facility to other carriers and wonders what that means exactly. Dennis asks Brian to have Misty give him a call and he can get caught up on it. It's complicated and it's just beginning.
- Jeff asks if we'll have painted parking lines in the new staging area to delineate traffic flow more clearly. Dennis states that we will, but first we'll use the areas to see the best flow of traffic; then we'll get it painted. This is the same reason we didn't paint the public parking areas in front of the building. Once we are using the entire area, (the entry, exit, staging and loading) we will know the best traffic flow and devise the paint layout.

8. Old Business: None

9. New Business:

- a) Motion: Approve Resolution No. 2015-03 adopt IFA Earthquake/Tsunami Protocol; moved by Otis Gibbons and seconded by Harvey Mc Donald. Dennis states that we were reviewed by a contractor from FTA and a person from the State Community Transit last week and they asked us to have a protocol in place in case of a natural disaster; this action was a recommendation not a requirement. Motion approved unanimously.
- b) Motion: Approve Resolution No. 2015-04 adopt IFA Complaint/Comment Resolution Procedures; moved by Harvey Mc Donald and seconded by Otis Gibbons. Dennis states that this is a federal requirement and that this resolution procedure is similar to the Title VI complaint resolution procedure. Dennis states that he took the basic Title VI verbiage and reworked it to use for this general complaints/comments response procedure. Harvey asks if this refers to issues between the IFA and the public; Dennis explains that it does. The protocol is that if something happens on the vessel the captain or mate tries to deal with it, if it is at a terminal Donna or one of the agents tries to deal with it. If it gets elevated beyond this, it is turned over to Dennis. Although this rarely happens, we need to have this in place. Motion approved unanimously.
- c) Motion: Approve Resolution No. 2015-05 first reading establishing the FY2016 Budget as presented; moved by Otis Gibbons and seconded by Bernie Massin.
 - Chrissy states that we show a 3% decline in revenues but that we requested \$727,309.00 for the 5311 grant and were awarded it in full. We do need \$75,000 for match to receive those funds. We have been holding onto the \$250,000 the legislature allocated for FY2015 so we can use part of that to cover the \$75,000.

- Chrissy states that Aetna has informed us that there are no changes to the cost of our plan and in fact there is a 15% decrease in dental, vision and audio for some. Chrissy states that Aetna is also giving us a “premium holiday” because the state secured a “group fund” so we don’t have to pay for 3 months of premiums. Bottom line is we are relieved of approximately \$46,000 (May and June’s premiums) this fiscal year and of \$23,000 (July’s premium) for next fiscal year.
- Chrissy explains the payroll budget showed a discrepancy and it turns out that for last 3 years (she didn’t go back any further) 13 employees were not getting their holiday pay calculated in to SBS/PERS/SUI. So we were about \$33,000 over every year but the figures have been recalculated so the budget shows a clear depiction of those funds.
- She also states that relief personnel positions were grossly under calculated. We budgeted for 2000 hours this year but to date we have already paid out for about 4600 hours; the new budget provides for 3500 hours.
- Chrissy states that Walt was able to skinny down the capital improvement items in the budget compared to last year.
- Chrissy suggests saving as much money as possible right now since we don’t know what may be available in the future. Harvey thanks Chrissy for her work.

Motion approved unanimously.

- d) Motion: Approve Resolution No. 2015-06 adopt FY2014 Financial Statements presented by Christine Harrington; moved by Otis Gibbons and seconded by Bernie Massin. Christine Harrington broke the statement down into sections and explained each report. She states that this financial statement is a little longer than prior years because in 2014 the IFA was subject to the Federal Single Audit requirement because the IFA expended in excess of \$500,000 in federal funds. It was hard to find those funds because over \$100,000 of it was done by the state on behalf of the IFA. She reminds us that these financial statements belong to the IFA and they are our responsibility. She continues that it is her responsibility to perform the audit and give an opinion on IFA financial statements, and that the opinion is either considered unmodified or modified. Unmodified means the financial statements are suitably presented, whereas modified means they are not and require (minor or major) revisions, improvements or additions. She states that the IFA received an unmodified financial statement and that the general 2-page statement can be given to any third party interested in the IFA’s financial standing. The rest of the report is more detailed and used for persons more informed and involved with IFA finances. Christine states that if someone is uncomfortable with numbers or figures, they can read the “section” that explains the financial statements in words, and to feel free to call her at any time if you have questions. Motion approved unanimously.
- e) Motion: Approve Resolution No. 2015-07 authorizing IFA General Manager to enter into agreement with AK DOT & PF for IFA Ferry Boat Refurbishment, State Project #68614; moved by Harvey Mc Donald and seconded by Otis Gibbons. Dennis explains that this resolution is a federal requirement and will allow us to use the federal Ferry Boat Refurbishment funds that we have been getting. Motion approved unanimously.

10. Board Comments:

- Harvey states that we’ve talked in the past about having a meeting on the vessel to have a face to face with everyone but because money is tight, for now it’s on hold; this may be something we can do in the future. Harvey has received some of the forms for the General Manager Evaluation and once all are turned in, we can hold an executive session or special meeting to complete the process. Please call Harvey if you don’t have the evaluation form.
- Brian asks Dennis to keep the BODs up-to-date on the north run because it might open up some possibilities. Dennis states he will keep everyone informed; Coffman Cove is an integral part since you are home base for the route. Bernie asks how this route will work with the Rain Forest Island

Ferry route. Dennis states that they won't be using the same facility we are; they are a landing craft so will load/unload from shore but will check with Kent Miller to make sure there are no conflicts.

- Jeff asks about how we're paid for the MTM run. Dennis/Donna answers that MTM costs come out of our MTM ticket sales and our profit is whatever is left; this year we did well because fuel prices were down and ridership was up. Dennis states that Metlakatla has asked if we would run on the days the AMHS doesn't but we ran the numbers and it didn't look good. Dennis continues that when we cover the Lituya's route we have all the ridership; if we were to run any of the three days the AMHS doesn't, ridership will be more of an off and on thing. It may be a potential in the future but for right now, it's not a positive financial move. We have no financial assistance to do that route and our revenue is only from ticket sales so it has to be a very secure venture. Another consideration is that right now we go into Port Chester and the Annette Bay dock is being retrofitted to accommodate our vessel. The Annette Bay is a shorter run for us but we are not sure if the retrofit will definitely work for our tie-up.

11. **Schedule Next Meeting:** Tentatively scheduled for some time in the first two weeks of June 2015.

12. **Adjournment:** Motion: Adjourn meeting at 10:54am; moved by Jeff Nickerson and seconded by Otis Gibbons. Motion approved unanimously.