



# Board of Director Special Meeting with Executive Session Minutes

June 16, 2016 Recorder: Donna Halvorsen

1. **Call Meeting To Order** Harvey Mc Donald called meeting to order at 10:05am.

2. **Roll Call**

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

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

Staff present via teleconference: None

Public Present: None

Public present via teleconference: None

3. **Approval of Agenda** Motion: Approve agenda as presented; moved by Harvey Mc Donald and seconded by Otis Gibbons. Motion approved unanimously.

4. **Approval of Minutes** Motion: Approve minutes from April 21, 2016; moved by Otis Gibbons and seconded by Dee Dee Jeffreys. Motion approved unanimously.

5. **Public Comment** n/a

6. **Correspondence** n/a

7. **General Manager's Report** (see "Manager's Report" after "Adjournment" item #13)

8. **New Business**

a) Jeff Nickerson and Otis Gibbons have been reappointed as Board Members for the City of Klawock and Craig respectively, their terms expire June 30, 2020.

b) Dennis explains that Southeast Conference has signed a MOA with the State in order to restructure the Marine Highway System. The IFA does not normally provide monetary contributions but this is the most important thing Southeast Conference has done besides creating the AMHS. There is financial trouble and AMHS has to change to survive and it's going to take money to do it. Dennis continues that this is something we can afford and he'll be directly involved with the process. Motion: Approve that the IFA donate \$1000 to Southeast Conference/State of Alaska, Marine

Highway System Restructuring Project; moved by Dee Dee Jeffreys and seconded by Brian Wilson. A roll call vote was taken and motion passes.

Chair	Thorne Bay	Harvey McDonald	yes
Vice Chair	Klawock	Jeff Nickerson	yes
Sec/Tres	Craig	Otis Gibbons	yes
Director	Wrangell	Bernie Massin	yes
Director	At Large	Dee Dee Jeffreys	yes
Director	Coffman Cove	Brian Wilson	yes

- c) Motion: Approve Resolution No. 2016-04 to adopt FY2017 Budget as presented; moved by Harvey Mc Donald and seconded by Otis Gibbons. Chrissy states she made the following changes to the final FY2017 budget. She explains that she added Northern Route expenses even though we are getting reimbursed for all costs. She continues that the cost of fuel is not as low as it has been and is climbing so she has increased estimated fuel costs from \$2.35 to \$3.00 per gallon. Also, historically revenues have been declining by about 3% but this time we show less of a decline so she decreased anticipated revenue decline from 3% to 2%. She summarizes that the adjustments to estimated fuel costs and revenue decline rebalance the budget. Harvey asks if she will be sending amendments to the Board as changes are made? Chrissy answers yes, if things drastically change. Dennis states that we do a supplemental budget when needed. Dee Dee asks what cost of fuel is? Chrissy answers currently \$2.08 per gallon. A roll call vote was taken and motion passes.

Vice Chair	Klawock	Jeff Nickerson	yes
Sec/Tres	Craig	Otis Gibbons	yes
Director	Wrangell	Bernie Massin	yes
Director	At Large	Dee Dee Jeffreys	yes
Director	Coffman Cove	Brian Wilson	yes
Chair	Thorne Bay	Harvey McDonald	yes

- d) Dennis states that he would like to approach the City of Kasaan's ferry stop proposal in a business-like manner. Kasaan has been very supportive to the IFA but he wants to make sure everyone is onboard with it. The proposal will be expensive even as a walk-on port only because it will have to be ADA compliant. If Board wants to move forward, Dennis will go to Kasaan and meet with officials to find out what funding sources they have, see their location for the facility and request they provide potential traffic report. After these items are satisfied, then IFA staff would put together pros and cons to identify if this is a viable option. Board is in support and Dennis will proceed and keep Board informed.

9. **Executive Session** Motion: Move into Executive Session at 10:27am to discuss a subject that may prejudice the reputation or character of a person; moved by Harvey Mc Donald and seconded by Dee Dee Jeffreys. Motion approved unanimously.

10. **Executive Session Action Item** Executive Session Ends and Special Meeting Reconvenes at 10:43am. Motion: Approve amended MOA with Dennis Watson; moved by Otis Gibbons and seconded by Harvey Mc Donald. A roll call vote was taken and motion passes.

Vice Chair	Klawock	Jeff Nickerson	yes
Director	Wrangell	Bernie Massin	yes
Director	At Large	Dee Dee Jeffreys	yes
Director	Coffman Cove	Brian Wilson	yes
Chair	Thorne Bay	Harvey McDonald	yes
Sec/Tres	Craig	Otis Gibbons	yes

11. **Board Comments** Dee Dee Jeffreys asked if we could have a face-to-face for the next Board meeting. Donna will try to coordinate everyone's schedule to allow for such a meeting. Brian comments that Rainforest Ferry is shut down until they can secure funding and repairs done to vessel.
12. **Schedule Next Meeting** TBA
13. **Adjournment** Motion: Adjourn meeting at 10:54am; moved by Harvey Mc Donald and seconded by Otis Gibbons. Motion approved unanimously.

Manager's Report (provided by Dennis Watson to Board via email June 14, 2016)

Some catch-up material before this week's special meeting; as you can see from Donna's stat reports we got off to a slow start this year. But, as the summer months are closing in traffic has picked up and we have surpassed last year's numbers at this point, hopefully on the way to another positive year.

The good news from Juneau is IFA's appropriation is still intact (the Governor's and legislature's versions attached), the bad news is as long as the Governor keeps calling them back into session the opportunity for a raid on that funding still exists. The IFA appropriation is on page 2 of the Legislature's Project Detail By Agency attachment.

I've applied for TIGER Grant funding and for repurposed unused federal earmark funds. If successful these federal dollars will be used to address some up and coming big dollar maintenance items on both vessels. The combined requests are in excess of 9 million dollars, the awards could be anywhere between zero and the high end of that number. If approved this funding would also provide up to three years of significant savings on the operating budget vessel maintenance line-item.

According to the stats the Memorial Day Northern Route transported 5 Vehicles and 3 passengers from Coffman Cove to South Mitkof and returned with 10 vehicles and 10 passengers. Not exactly a resounding success, hopefully we'll see better numbers for the next scheduled run. Rich said there were a couple of logistical issues on the first sailing that shouldn't be a problem this month.

It looks like construction on the Berth 3 Improvements at the Ketchikan Terminal may begin a couple of weeks prior to the scheduled July 1<sup>st</sup> start-up date. We are still ironing some of the wrinkles out in the construction schedule, particularly access to sewer and water service during the project.

The Hollis Parking Lot Expansion Project is still in the design phase. I was told early on in the process that we could expect a late summer construction start up. Yesterday I checked on the project status and was told that it is now unfunded, but the state will continue with the design. So something has changed at DOT Headquarters, I will check into it and see if we can jump-start the funding issue.

Hollis Engineer Tracy Moore is going to perform a battery of tests on the Hollis Terminal well to determine if there is any surface water influence. It's my understanding that the testing process takes quite some time to complete; I don't have an estimate on the completion date yet. When the test results are in it can then be determined what degree of filtration/treatment is needed to get DEC to

certify the terminal water system and what these improvements will cost. When I have this information in hand I will report to the Board for direction on how to proceed. Tracy has been extremely generous with his time on this issue; we are trading him IFA travel for his professional services.

The main gate to the terminal compound that was damaged last winter has been replaced and is in good working order.

In a recent communication with DOT Commissioner Luiken he assured me that it is still DOT's position that IFA will be allowed to participate in the new Carus reservation system that the Marine Highway System has purchased. "This was good to hear, our initial conversation about this was a couple of months ago and I had not heard from him since." He said AMHS ticket agents are still working the bugs out of the system and when they feel comfortable with it they will contact us about getting on board. IFA participation in Carus would save us several thousands of dollars on the purchase cost of a new reservation system and in annual fees.