



Board of Director Regular Meeting Minutes

September 12, 2022 Recorder: Donna Halvorsen

1. **Call Meeting To Order:** Jeff Nickerson called meeting to order at 12:00pm.

2. **Roll Call:**

Chair	Klawock	Jeff Nickerson	present Landing Board Room
Vice Chair	Thorne Bay	Harvey McDonald	present Landing Board Room
Sec/Tres	Craig	Otis Gibbons	present via teleconference
Director	Coffman Cove	Brian Wilson	present Landing Board Room
Director	Hydaburg	Sam Mooney	present via teleconference
Director	At Large	Doug Rhodes	absent excused

Staff Present at Landing Board Room: Ron Curtis and Walter Marsh

Staff present via teleconference: Chrissy Torsey-Lucero and Donna Halvorsen

Public Present: None

Public present via teleconference: None

3. **Approval of Agenda** Motion: Approve agenda as presented; moved by Harvey McDonald and seconded by Brian Wilson. Motion approved unanimously.

4. **Approval of Minutes** Motion: Approve minutes from June 21, 2022; moved by Harvey McDonald and seconded by Brian Wilson. Motion approved unanimously.

5. **Public Comment** n/a

6. **Correspondence** n/a

7. **Manager's Report**

To: Inter-Island Ferry Authority Board of Directors

From: Ron Curtis - General Manager

Subject: Q1 Update

1) **Funding Status** – There were some delays in getting the next Federal project on the Stikine completed. Once the Specification phase was done there was a substantial increase in the costs of materials. The cost of the project exceeded the funds available in the STIP. We petitioned the State for an administrative modification to the available funding and it was approved for an additional 957K.

2) **SE Conference** – No report as we are here now.

- 3) Infrastructure Bill – We are continuing to look into Infrastructure funding that may be available to us. I met with Lisa Murkowski in August about the newly set aside \$13m under the Consolidated Appropriations Act of 2022 which is eligible to systems **servicing communities more than 20NM apart**. I will be asking Johanna to take a closer look at this opportunity.
- 4) Operating Status – We are currently running 7 days a week between HYL and KTN.
- 5) M/V Prince of Wales status – Moored in Ward Cove.
- 6) MV Stikine Status – In Operation. The contract for interior upgrade Federal project is currently out for bid. We have paid the Federal match required of \$476,081.38.
- 7) Staffing – As of September 1st we rehired Walter Marsh as our Port Engineer. Of the 3 candidates that applied for the open position he was the most qualified.
- 8) Electric Ferry Funding – There have been some developments on this subject. Walter Marsh and I met with a company called FleetZero. They have a new battery technology that is intriguing. More power and less weight. As we are in need of new generators soon, I will be asking Walt to conduct feasibility study based on the new information. According to Lisa not all of the funds set aside for Electric Ferries in the Infrastructure bill have been appropriated.
- 9) Fuel Expense – Average fuel expense has been as follows; FY20 – 2.47, FY21 - 2.08, FY22 – 3.20, FY23 – 4.90. Fiscal Year 2022 fuel was approx. 23% of total costs. This compares to 15.8% in 2020. 2023 will be worse.
- 10) KTN Dock project - KTN Dock improvement project will commence about Oct 1st 2023. During this time we may have some schedule issues as we will be sharing the main berth with the AMHS. We could be without the use of our KTN dock for up to a month. This is going to be a major disruption to Operations as we will need to back vehicles onto the boat during that time.
- 11) Operational Highlights - FY 22 ended at 64% Farebox recovery rate. Including the MTM run, July 2022 was the highest Gross Revenue and Passenger travel month in IFA history.
- 12) Challenges in the Path ahead – As the Managers are aware one of my big initiatives is succession planning. We continue to work on this but are struggling due to the lack of available talent. The licensed positions are the biggest issue. Currently 18 of our 28 employees are at or within 5 years retirement age. One of our Captains has announced he will be retiring sometime in Q4 of this Calendar year. We will be exploring all options in obtaining a relief Captain either internally or externally. This issue is industry wide and world wide as reported by SHRM in their May 2022 maritime industry report and Reported by the Workforce Report of 2021 published by Bimco ICS. Bimco further projects that there will be a shortage world wide of 26,000 Licensed Maritime Officers by 2025. AMHS has already encountered cancelled sailings this year due to lack of crewing for their vessels.
- 13) CTP Program – I have had preliminary discussions with the State. They have funded the Community Transportation Program with 120M. We will be looking at developing the Clark Bay facility into a larger harbor with the potential of using these funds. The purpose of this is twofold. Our second boat is moored at significant expense in KTN where mooring space is at a premium. It is only a matter of time before our rent increases or we get the boot, every other Tennent in our location has recently been evicted. Our plan is to have a location to moor under our control and at little expense. The second reason is that Hollis has a dilapidated dock that the state has scheduled for destruction. The IFA has the ability to leverage our personnel and resources and try to turn the dock into a profit center.

Respectfully Submitted, Ron

Harvey and Jeff suggest getting word out to the public that the IFA is not charging more even though fuel prices have increased substantially. Harvey asks about starting a program where we 'grow our own' employees, offering apprentice positions or on the job training. Ron states we already do it but the problem is the people coming on are older, not younger. He continues when school kids are traveling we bring them onto the bridge to try and get them excited about maritime careers. Ron says has looked into Klawock vocational education for collaboration. Brian states POW is becoming more of a retirement community. Harvey asks what licensing is required for captain, Ron states 100ton, radar and several other endorsements. Harvey states its easy to get 100ton and Walt states that it hard to get the sea time in. Harvey states that the difference between a 6pack and 100ton license is only 6 questions. Jeff states maybe he knows of one licensed person in Klawock, maybe we ask person to work in the winter, in his off season? Ron states that we have several licensed employees qualified to drive the boat but there are only 4 of them qualified to park the boat and one of them is leaving. Walt states it takes time to learn to drive the boat, its not like a seine boat or skiff. Sam states that there didn't seem to be many times a mate was allowed to land the boat in the 4 years he worked there. He continues that maybe the captains can give the mates more opportunities to land the boat to get the practice. Ron states he's talked to Rich and the Captains, and they are making progress towards that end, and it needs to happen in the winter, totally different in rough, windy and dark. Otis states DeeDee was able to get some federal funding money for training so might check with her on the sources. He continues maybe we should start a program, grant funded, to get people trained, maybe subsidize and promote schooling and keep track of these people and give them shifts to get sea time; set up a formal program. Harvey asks if we can take the boat out in the off hours to do trials and practice landings? Ron replies there's nothing that says you can't do that, but it wouldn't count towards sea time hours. Chrissy states we could do that but we have to consider cost of full and wear on vessel. Ron states we have allowed a 6th man to be on a crew for training purposes and states he would have to compensate galley for meals then asks Chrissy what IFA reimburses people for getting their 100ton license. She replies we originally never reimbursed, we only reimbursed when licensed personnel were up for renewal. But now we reimburse for certification and training for 100ton master, if they get a grant, we pay them as if they were at work, and if they pay out of pocket we reimburse. Nothing for additional travel or meals. Harvey states, good we are doing something, maybe we could enhance it. Walt states best way to do that would be to set up a simulation school where they're going in a docking boats on the simulator, that way we aren't hurting any equipment or burning fuel. Ron says we'll look into cost of one. Jeff states what he's hearing is that its not a problem but that it's a potential problem you are getting ready for. Harvey states people may see IFA doing this and want to be part of it and support it. Jeff states IFA is proving themselves. Harvey remembers when we started, people were saying give it a year it'll be painted blue, but we proved them wrong. Brain states we also have the problem of holding people once they are licensed, there are higher paying positions. Ron states those people get laid off in the winter and we offer year around employment. Ron states his presentation at SE Conf was that he wants the IFA to be the employer of choice, and it might not be all money, its about letting them have a voice, giving benefits, listening, and whole lot of other things. Brain states yes its not all about money but we ought to take a look at that. Harvey states, wants us to offer a good career ladder. Jeff asks if Ron is talking about the dock in Hollis or Clark Bay, and Ron replies the public Hollis dock goes away and its combined with moorage in Clark Bay for public and IFA. Ron continues that the State maintains the current dock in Hollis, and maybe they could maintain new ferry moorage too. Also instead of paying the monthly fee for moorage in KTN, we could take those dollars and put towards Clark Bay ferry moorage, and maybe 'Hollis Community' could manage the public moorage, its all just preliminary now but it could all be one complex. Harvey states he sees that there is money available for 'under 20' mile service' and it used to be 50, and Ron replies that it is a tiny slice of money though.

8. **Old Business** n/a

9. **New Business**

- a) Motion: Accept Mayor of Hydaburg's reappointment of Sam Mooney to BOD seat; moved by Harvey McDonald and seconded by Brian Wilson. Sam Mooney abstained from voting, and motion approved unanimously.
- b) Motion: Approve Resolution No. 2023-01 to approve the 2023 use permit with Haida Vending; moved by Brian Wilson and seconded by Harvey McDonald. Sam Mooney abstained from voting, and motion approved unanimously. Brian states

10. **Board Comments** Brian states he's been talking to lodges on POW and they are all saying their biggest struggle is dealing with traveling with fish boxes, and wondering if there is a way to work with city of KTN for getting boxes from ferry to airport. He continues, we have looked at this in the past and didn't go for it but a lot of people expressed that they would use and pay for some extra service. Ron will talk to Rodney Dial, and Harvey asks, what would we do, add an extra veh and person on each sailing? Ron states we have dollies for customers to move the boxes but we do not allow crew to physically shuffle them. Brian states it isn't an issue on the HYL side, it's the KTN side and getting them to the airport. Ron says he will see if there is some transportation available through the KTN Borough too. Otis states long time ago he had an idea to have small, refrigerated delivery trucks, have the lodge owners load it up and have a responsible person as the shipper so we just would need to get a driver to get it to the airport; let the lodges set up a cooperative type service to get boxes to HYL ferry. Then a person get it to airport. Brian states yes that's the tricky part, they the boxes off the ferry in KTN, gotta get cab to get to the airporter ferry then get it down the ramp, then up the ramp and then to airport, it's just something to think about. Sam suggests Ron ask AK airlines if they have anything available to remedy this since it's their customers who are in need, and they make a lot more money on fish box transport than we do. Jeff wonders if that is something AML could set up, they would be the collection point on POW then take it all the way to airport. Sam suggests using our social media as a form of communication because so many of our younger people only use it, they don't read papers or watch news on TV. Harvey comments this is the best meeting in quite a while, we are face-to-face, all concur.

11. **Schedule Next Meeting** TBA but early December

12. **Adjournment** Motion: Adjourn meeting at 1:00pm; moved by Sam Mooney and seconded by Brian Wilson. Motion approved unanimously.