



Board of Director Regular Meeting Minutes

September 19, 2024 Recorder: Johanna Thayer

1. **Call Meeting To Order:** Jeff Nickerson called meeting to order at 10:06 am.

2. **Roll Call:**

Chair	Klawock	Jeff Nickerson	Present
Vice Chair	Thorne Bay	Harvey McDonald	Present
Sec/Tres	Craig	Fred Hamilton	Present
Director	Coffman Cove	Brian Wilson	Absent
Director	Hydaburg	Sam Mooney	Present
Director	At Large	Doug Rhodes	Present

Staff Present: Ron Curtis, Chrissy Torsey-Lucero, and Johanna Thayer

Staff present via teleconference: Katie Martin, Arthur Martin, Kristine Hansen, Kiya Walters, Walter Marsh, Jarrid Brendible, and Alina Coffman

Public Present: Annette Sharpe

Public present via teleconference: None

Jeff begins by congratulating and welcoming Fred Hamilton on his appointment to the Board.

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

4. **Approval of Minutes** Motion: Approve minutes from June 21, 2024 w/ Executive Session; moved by Harvey McDonald and seconded by Doug Rhodes. Motion approved unanimously.

5. **Public Comment**

a. Annette Sharpe expressed concerns about potential development in Clark Bay. As a resident of Hollis, she emphasized her desire to remain informed and involved in any related projects. She stated her willingness to actively participate in future discussions.

Ron responded, clarifying that the only immediate plan for Clark Bay would be addressed in the Manager’s report, the redrilling of the well. He explained that, in the long term, the IFA is exploring options for mooring the second vessel in Hollis. However, this is a future initiative and not an immediate concern. He added that transitioning engineering operations will eventually be necessary, as the current arrangement in Ketchikan, while beneficial, incurs significant costs. Developing a dedicated dock in Hollis could save money and support the service’s sustainability.

Sam noted from the Budget that the annual expense for moorage is substantial. He suggested that acquiring a floating dock could reduce costs and potentially eliminate the need for 24/7 staffing. Ron clarified that around-the-clock staffing is mandatory, likening it to airport operations.

Annette thanked the Board and Management for addressing her concerns and reiterated her

intent to stay involved in the project as it progresses, particularly due to her concerns about potential light pollution in Clark Bay.

Jeff inquired about the availability of electrical power at the current Ketchikan moorage. Ron confirmed that shore power is in use, eliminating the need for generators while docked. Jeff also asked whether the vessel might be moored on the east side of Ketchikan. Ron acknowledged that Ketchikan offers logistical advantages, such as access to services, but reiterated the high moorage costs. He added that he is investigating grants to offset expenses and support crew housing.

Annette then inquired about the dock in Coffman Cove, questioning whether it could serve as an alternative location. Several Board Members clarified that the dock is owned by the State. Doug suggested it could be a consideration for storing the second vessel since it is currently underutilized. Ron noted, however, that keeping the vessel in Ketchikan or Hollis is preferable, as it allows for rapid deployment in the event of an issue, minimizing the risk of disrupted service. Storing the vessel in Coffman Cove could increase the likelihood of missed runs. Ron emphasized that any potential developments would take years to implement, describing the process as moving at the "speed of government." Jeff added that when the time comes, it would be beneficial to engage with all impacted communities, as they might offer support to meet operational needs.

Jeff concluded the discussion, thanking participants for their input and noting that it had been a productive exchange.

6. Correspondence

- a. Ron says there was a small matter that came up the 18th, but it is mentioned in the Manager's report.

7. General Manager's Report

- a. Ron Submitted a Written Report that is attached.

The IFA recently secured a \$250,000 Legislative Grant, with Chrissy overseeing the required paperwork. Additionally, our Statewide Transportation Improvement Program (STIP) will fund ship maintenance for the next four years. Harvey emphasized the importance of monitoring changes to the STIP to ensure the IFA's funding is not reassigned to other entities. Excitingly, the Federal Transit Administration (FTA) approved a fund swap, allowing us to exchange unused federal COVID funds for approximately \$3 million in state funds. We are also awaiting agreements for \$1.2 million in FHWA grants, though their arrival depends on governmental processes.

Next week marks the Southeast Conference, including Transportation Day on September 24 in Ketchikan. Ron will attend all three days and encouraged board members to join, as these events help representatives understand the IFA's financial needs. Doug expressed interest in attending, and Chrissy will assist in coordinating.

Fiscal Year 2024 has been a record year, with passenger numbers up 6.5% over 2023, which itself saw a 12% increase from 2022. Vehicle ridership also rose by 5%, marking the highest vehicle transit numbers for the Southern Route. Ron noted that while the IFA previously experienced higher ridership, that was during dual-route operations. The significant growth demonstrates the IFA's success, Harvey suggests releasing an updated "IFA by the Numbers." Ron plans to share these achievements at the Southeast Conference.

The IFA recently completed its coverage for the Lituya in August. Ron requested that AMHS and the Metlakatla Indian Community revert to the original maintenance schedule for the Lituya, as covering during peak season strains the crew. If the current schedule continues and growth persists, the IFA may need to reduce service to three days per week next year to Metlakatla to prioritize crew well-being. Discussions also included Metlakatla's upcoming electric ferry and new terminal in Saxman, which will accommodate increased trips. However, the IFA will continue using its dock, as our ferry will not fit into Saxman's terminal.

Operational updates included commendations for David Kingsley, an IFA engineer who averted potential generator damage with quick thinking leading to a recent repair. The Stikine remains operational until October 1, while the Prince of Wales is in Ward Cove awaiting federally funded upgrades. Challenges with "Buy America" requirements have limited procurement options, but Ron confirmed no current issues with compliance for upcoming projects.

Staffing remains as it has been, with only a Mate and an on-call position open. Rich is pursuing promising candidates, though the team missed out on an applicant from out of state.

Infrastructure updates included the electrification of the Ketchikan dock, which is nearly complete, and temporary fixes for the Hollis Terminal water issues. Plans to drill a new well are underway, with bidding scheduled to commence soon.

Finally, discussions turned to the proposed fare increase for 2025. Since 2005, fares have gradually risen, with the last adjustment in 2021 aligning terminal booking costs with online booking fees. Ron proposes a 13% increase for walk-ons and a 10% increase for vehicles, resulting in an overall 12% hike. With Farebox recovery rates dropping from 79% in 2019 to 65% in 2023, the increase is essential to maintaining the IFA's financial sustainability. The Board will deliberate further to ensure informed decisions that reflect the IFA's commitment to fiscal responsibility and service excellence.

8. **Finance Report**

Chrissy cautioned that the current cash projections appear grim but clarified that they do not yet account for the approved fund swap with the State. She highlighted that the recently awarded \$250,000 grant will expire in June 2025, significantly shorter than the typical five-year duration. To mitigate this, Chrissy has requested disbursement of the funds for July and August of this year, ensuring they are available sooner to bridge the gap until other grant funds are secured.

Fuel costs are currently averaging around \$2.77 per gallon, which, if sustained, could lead to substantial savings in the fuel budget. Harvey reiterated the value of publishing another IFA by the Numbers report, emphasizing its utility in demonstrating the organization's financial standing. Chrissy noted the last report was published in 2019 using a \$26,000 Economic Impact Assessment Grant, highlighting the importance of securing similar funding for any future iterations.

When asked about insurance costs, Chrissy explained that last year's premium was approximately \$300,000, which the IFA managed to pay outright. However, this year's payment may require financing due to limited cash reserves. The insurance broker is actively seeking a new underwriter, as the IFA's previous property insurance provider has dropped coverage. At present, the potential increase in insurance costs remains unknown.

9. **Old Business** No Old Business

10. **New Business**

a. **Nominate and Appoint Secretary/Treasurer**

Jeff notes the importance of having a signer who is local for check-signing purposes, emphasizing that Fred Hamilton, being based in Craig, would be an ideal choice.

Moved by Harvey McDonald to nominate Fred Hamilton for Secretary/Treasurer and seconded by Sam Mooney. Motion approved unanimously.

The Board expressed their gratitude to Fred for his willingness to serve in this role, with Jeff adding that having a local Secretary/Treasurer greatly facilitates the operations of the Accounting office.

b. **Motion: Approve to offer Driver Free in January, February and March 2025**

Moved by Sam Mooney and seconded by Doug Rhodes. Doug adds that with us possibly raising fares, this will be a nice relief for residents.

Chair	Klawock	Jeff Nickerson	Yes
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Vice Chair	Thorne Bay	Harvey McDonald	Yes
Sec/Tres	Craig	Fred Hamilton	Yes
Director	Coffman Cove	Brian Wilson	Absent
Director	Hydaburg	Sam Mooney	Yes
Director	At Large	Doug Rhodes	Yes

Motional approved unanimously.

- c. Resolution 2025-01 “Approve the 2025-2026 Use Agreement with Haida Vending”
Moved by Doug Rhodes and seconded by Fred Hamilton. Sam Mooney Obstains. Motion approved unanimously.
- d. Resolution 2025-02 “Authorizing Check and Note Signers”
Moved by Harvey McDonald and seconded by Doug Rhodes. Motion approved unanimously.
- e. 2025 Fare Change

The Board discussed various aspects of the proposed fare increase, including operational efficiencies and potential new revenue streams. Fred Hamilton inquired whether the organization had thoroughly examined all areas for potential cost-cutting measures. Ron explained that extensive cuts had been made since COVID, but further reductions could compromise safety and crew morale. He noted efforts to improve wages for crew retention and highlighted the necessity of the proposed fare adjustments.

Doug remarked on the historical hesitancy to raise fares due to federal COVID relief funds, while Annette questioned whether the Hollis Terminal was overstaffed. Ron and Kristine confirmed that staffing levels were adequate in the terminal, with minimal personnel on duty throughout the day. Sam raised the issue of fish box fees, suggesting these could be adjusted to better reflect the workload involved, while also proposing restrictions on luggage weight, resident advantage programs, or even punch cards for frequent travelers.

Fred suggested implementing localized discounts, such as a punch card for residents, while Doug proposed exploring seasonal pricing variations. Ron confirmed that past pricing models included summer and winter rates but emphasized the importance of ensuring any new policies were practical and enforceable, such as monitoring luggage weight or adjusting fish box fees. Annette noted that charging for luggage above 100 pounds might incentivize travelers to bring their vehicles, thereby increasing vehicle ridership.

The Board emphasized the need for transparency with the public regarding the fare increase. Jeff proposed creating a detailed report outlining the measures the IFA has taken to control costs and the rationale behind the fare adjustment. Harvey suggested revisiting the "IFA by the Numbers" document to better communicate the organization's financial position and the necessity of fare increases to the public.

Chrissy clarified that the fare increase would help bridge the funding gap but would not completely close it, as public transportation rarely achieves profitability. Ron highlighted the IFA's historically strong financial performance, ranking second nationally in Farebox recovery in 2020. However, he underscored the challenges of maintaining financial stability amid rising operational costs.

After the discussion, the Board agreed to move forward with the fare increase while management explored additional revenue strategies, such as punch cards and public awareness campaigns. Jeff expressed gratitude for the thoughtful dialogue, emphasizing the Board's responsibility to represent the public while supporting management's efforts.

Moved by Doug Rhodes and seconded by Sam Mooney.

Chair	Klawock	Jeff Nickerson	Yes
Vice Chair	Thorne Bay	Harvey McDonald	Yes
Sec/Tres	Craig	Fred Hamilton	Yes
Director	Coffman Cove	Brian Wilson	Absent

Director	Hydaburg	Sam Mooney	Yes
Director	At Large	Doug Rhodes	Yes

Motion is approved unanimously.

Jeff emphasized that the decision to raise fares was not made lightly, reflecting careful consideration of the organization's financial needs and community impact. Harvey acknowledged the significant effort Ron had invested in the process, while Ron highlighted Kristine's contributions to the fare adjustment plan. The Board collectively expressed their gratitude to Ron and Kristine for their dedication and hard work in addressing these challenges.

11. Board Comments

Sam raised a concern about the Vending Agreement with Northern Sales, noting that the contract stipulates they own the vending machine, not the IFA. He mentioned that the machine, previously protected by an awning, now faces issues with freezing during the winter. Additionally, Northern Sales has been unresponsive in getting the machine repaired, especially since they stopped putting their vehicle on the ferry and have not been sending a technician. Ron offered to look into the matter and see if he could resolve the issue.

Annette expressed her admiration for the Board's work, and the Board acknowledged her appreciation.

Jeff commented to Fred that the meeting was running long, acknowledging that it was unusual for their meetings to extend this much.

12. Schedule Next Meeting

Harvey says that doing a meeting in December around the 16th is too close to Christmas. Everyone agrees that meeting the 9th to the 13th will work the best. As we draw nearer to it we will come up with a day.

13. Adjournment Motion: Adjourn meeting at 12:47 p.m.; moved by Sam Mooney and seconded by Harvey McDonald. Motion approved unanimously.