



SAULT STE. MARIE BRIDGE AUTHORITY

SAULT STE. MARIE, MICHIGAN

THOMAS BUCKINGHAM SR., CHAIR
LINDA HOATH, MEMBER
SCOTT SHACKLETON, MEMBER
NICHOLAS WHITE, MEMBER

SAULT STE. MARIE, ONTARIO

MICHELINE DUBÉ, VICE CHAIR
NATALIE KINLOCH, MEMBER
ANTHONY PICKETT, MEMBER
ANDRÉ GIRARD, MEMBER

**Sault Ste. Marie Bridge Authority
Minutes
May 17, 2018
James McIntyre Board Room
Sault Ste. Marie, Michigan**

Present: Thomas Buckingham, Sr., Chair
Micheline Dubé – Vice Chair
Linda Hoath, Member
Scott Shackleton, Member
Nicholas White, Member
André Girard - Member
Natalie Kinloch, Member (via teleconference)
Anthony Pickett, Member

Also Present: Laura Mester, Chief Administrative Officer, MDOT
Michael Dittenber – Attorney General’s Office, MDOT
Sara Moore – International Border Crossing & Trade Specialist, MDOT
Peter Petäinen – General Manager, IBA
Crystal Knutsen – Chief Financial Officer, IBA
Karl Hansen – Bridge Engineer, IBA
Marcus Eidenier – Facilities & Asset Manager, IBA
Cheryn Sanford – Departmental Analyst, IBA
Dan Weingarten – MDOT Communications Representative
Ken Talsma - Principal, Anderson Tackman & Company
Anna Harrington – Student Assistant, IBA
Miles Munro – Student Assistant, IBA
Suzanne Moreau – Account Tech, IBA
Jeremy Sprague – Steeplejack, IBA
Luc Piche – Bridge Worker, IBA
Ken Moore – MSEA President

Chair Buckingham called the meeting to order at 9:00 a.m.

I. **Approval of Minutes**

A motion was made by Member Hoath to approve the February 22, 2018 Sault Ste. Marie Bridge Authority regular meeting minutes with the following change:

- Page 4, first bullet point, change the word “bride” to “bridge”

The motion was seconded by Member Dube’. Motion carried unanimously.

REPLY TO: PETER M. PETAINEN, GENERAL MANAGER

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II. **Canada Border Services Agency (CBSA) Plaza Redevelopment Project Update**

Vice Chair Dubé reported the remaining items of the project such as paving stones, sodding, flag pole installation, and IT infrastructure upgrades are in the process of being completed which once complete, it will mark the end of the project. CBSA will be holding an “official opening” in conjunction with either the August or November SSMBA meeting; details will be provided to the board when available.

III. **Audit Committee**

Audit Committee Chair Linda Hoath stated the audit committee met yesterday afternoon to review year-end financial statements and to discuss the annual review of healthcare benefits for Canadian employees; Linda stated Member Kinloch will present the audit committee’s recommendation in regards to the annual review of healthcare benefits.

Member Kinloch stated there are vast differences in the healthcare benefits between what Canadian and United States residents receive and it’s very difficult to compare the two. The audit committee relied on an external advisor from Schuster Boyd McDonald to review the differences between the two coverages. Member Kinloch stated the approach Schuster Boyd McDonald took to review coverage was not a dollar amount approach, but rather an approach to reach reasonable similar benefits to all employees regardless of residency. Attached to the minutes is Schuster Boyd McDonalds recommendations for changes to the Canadian health care plan. Member Kinloch stated the audit committee members discussed each of the six recommendations made and the audit committee recommends moving forward with items 1-4 on the attachment, remain status quo on item 5, and not add recommended benefit improvements for item 5 and 6.

Member Kinloch made a motion to approve changes 1-4 as outlined on the attached document, remain status quo for item 5, and to not accept the benefit improvements for items 5 and 6. Member White seconded the motion. Motion carried unanimously.

IV. **Capital Project Updates**

A. Bridge Abutment Epoxy Injection Project

Bridge Engineer Karl Hansen stated previous annual inspections of the bridge have reported sand leaking out of the retaining wall in both the U.S. and Canadian bridge abutments. Karl stated the IBA has secured the services of Uretek who will perform epoxy injections on both abutments during the week of June 4, 2018. Karl showed a brief video demonstrating the product and process that will be used; this innovation was presented to us by MDOT’s field service staff. The total cost of the project will be approximately \$70K for both abutments. Member Pickett inquired if the product is safe to use from an environmental standpoint; Karl stated yes and that we have all respective Material Safety Data Sheets on file.

B. Administration Building HVAC Retrofit

Karl reported both of the bids we received for the HVAC retrofit were over budget. Karl has interviewed both bidders to seek input as to why the pricing came in at what it did. Karl stated he will be making some changes to the scope of services, and will re-issue request for proposals in August with the hopes to have someone under contract to make the upgrades this fall. No board action necessary at this time.

V. **Maintenance Activity and Project Tracking Report**

A. Activity and Project Tracking Report

Current maintenance activity and project tracking reports were included in the packet for review. Facilities and Asset Manager, Marcus Eidenier, stated the reports reflect a 344% increase in costs in 2018 as compared to 2017; Marcus stated this increase is due to additional custodial staff for the new CBSA facilities. Marcus also indicated that equipment costs reflect a large savings; however, this is a result of inadequate reporting; this will be investigated further with updates made in the future.

B. Maintenance Projects for 2018

Marcus reviewed the summer projects that IBA maintenance staff have planned. Member Shackleton asked if the IBA anticipates any prolonged lane closures this season. Marcus stated no, any lane closures will be short term in nature.

VI. **Financial Operations**

A. December 31, 2017 Audit Report

Audit Committee Chair Hoath introduced and thanked Ken Talsma from Anderson Tackman who was the principal in charge of completing our audit report for fiscal year ending December 31, 2017.

Mr. Talsma gave an overview of the audit process from start to finish and reviewed the audit report letter with the board members. He stated the IBA received an “unqualified opinion” which means everything was fairly and accurately reported in accordance with auditing principles; this is the best rating that can be received.

Vice Chair Dubé made a motion to approve the December 31, 2017 Sault Ste. Marie Bridge Authority Basic Financial Statements and Independent Audit Report. Member White seconded the motion. Motion carried unanimously.

Member Kinloch made a motion to exercise the option to renew the contract with Anderson Tackman & Company as the Sault Ste. Marie Bridge Authority’s independent auditor for the fiscal year ending December 31, 2018. Member Shackleton seconded the motion. Motion carried unanimously.

B. Traffic and Revenue

Chief Financial Officer Crystal Knutsen, reported traffic for the month ending April 30, 2018 had a slight increase of 1%; overall year-to-date traffic is up 7.7%. Crystal reported revenue is up 9.3% year-to-date and with no major lane closures planned for this summer and with the City of Sault Michigan celebrating its 350th Birthday we are hopeful the increase in traffic will continue throughout the summer months.

C. First Quarter Financial Activity

Crystal reported all departments were at or under budget at the end of the first quarter of 2018. Total fund balance has increased from \$32k to \$92K; staff continue to monitor all purchases very close and all major capital purchases are being delayed at this time.

D. Tax Compliance

Crystal stated it came to her attention in January that form 1099 has never been filed on behalf of the International Bridge Administration (IBA). After much research, it was determined the oversight was a result of the IBA utilizing the same federal employee identification number as the State of Michigan; the State of Michigan does issue form 1099 to its vendors; however, since the IBA's accounting software is separate from the State's the 1099 forms for IBA vendor's were never issued. Crystal is in the process of determining next steps and will keep the board updated as more information becomes available.

E. Bridge Fiber Lease

General Manager Petäinen stated an updated lease for the four strands of fiber owned by Great Lakes Interlink was included in the packet for review.

Member White made a motion to approve the Great Lakes Interlink contract #2018-0456 to be issued for a 10 year period, with two additional five year renewal options. Member Pickett seconded the motion. Motion carried unanimously.

VII. **General Manager's Comments**

- Peter briefly reviewed his comments that were included in the letter to the board dated 5/8/18. Member Hoath commended the IBA staff for hosting a wonderful visit with Michigan Lieutenant Governor Brian Calley on May 5, 2018. Member Buckingham also expressed his gratitude for hosting another political candidate on very short notice.
- Member Shackleton expressed his pleasure with the recent trip the board took to Buffalo, New York. A brief discussion was held on items of interest the board may wish to pursue and implement at our crossing.

VIII. **Public Comment**

There was no public comment.

IX. **Adjournment**

Member Hoath made a motion to adjourn. The motion was seconded by Member Girard. The motion carried unanimously and the meeting was adjourned at 10:17 a.m.

Respectfully Submitted,
International Bridge Administration



Peter M. Petäinen
General Manager