



SAULT STE. MARIE BRIDGE AUTHORITY

SAULT STE. MARIE, MICHIGAN

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

SAULT STE. MARIE, ONTARIO

NATALIE KINLOCH, VICE CHAIR
WARREN ASKEW, MEMBER
THYE LEE, MEMBER
ANTHONY PICKETT, MEMBER

**Sault Ste. Marie Bridge Authority
Minutes
November 5, 2020
James McIntyre Board Room
Sault Ste. Marie, Michigan**

Present: Linda Hoath, Chair (Sault, Michigan)
Natalie Kinloch, Vice Chair (Apple Hill, Ontario)
Thomas Buckingham, Sr., Member (Newberry, Michigan)
Scott Shackleton, Member (Sault, Michigan)
Nicholas White, Member (Petoskey, Michigan)
Warren Askew, Member (Pt. Edward, Ontario)
Thye Lee, Member (Ottawa, Ontario)
Anthony Pickett, Member (Ottawa, Ontario)

Also Present: Peter Petäinen, General Manager, IBA
Kathleen Gleeson, Attorney General's Office, MDOT
Emily Jacques, Chief Financial Officer, IBA
Karl Hansen, Bridge Engineer, IBA
Marcus Eidenier, Facilities & Asset Manager, IBA
Fiore Cappelli, Operations Manager, IBA
Cheryn Sanford, Departmental Analyst, IBA
Suzanne Moreau, Accounting Technician, IBA
Dan Weingarten, MDOT Communications Representative
Matt Woodhouse, WSP Michigan, Inc.
Richard Wianecki – Hardesty & Hanover, LLC
Mark Helinski – Hardesty & Hanover, LLC

Chair Hoath called the meeting to order at 9:07 a.m.

I. **Approval of Minutes**

A motion was made by Member Pickett to approve the August 20, 2020 Sault Ste. Marie Bridge Authority regular meeting minutes as written. The motion was seconded by Member Shackleton. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

REPLY TO: PETER M. PETAINEN, GENERAL MANAGER

934 BRIDGE PLAZA
SAULT STE. MARIE, MICHIGAN 49783
PHONE: (906) 635-5255 FAX: (906) 635-0540
TDD/TTY – MICHIGAN RELAY CENTER (800) 649-3777

121 HURON STREET
SAULT STE. MARIE, ON P6A 1R3
PHONE: (705) 942-4345
www.michigan.gov/iba

II. General Manager Comments

- Peter stated two long-term IBA employees have announced their retirements. Troy Raffaele has been our electrician for 31 years; he retired on October 30, 2020. Drew Hojnoski, our equipment technician will be assisting in Troy's absence and if necessary, we have made arrangements to call on an MDOT licensed electrician if the need arises. Clista Windsor, one of our bridge safety officer lead workers will also be retiring in December; Clista will have 19 years of service with the IBA. Unfortunately, with the border closure and due to COVID restrictions, we will not be able to gather to wish them well; both members of our IBA family will be greatly missed.
- Peter extended his appreciation to MDOT's Superior Region who recently agreed to have four of our fulltime maintenance employees reassigned for the winter months to the Superior Region as they had vacancies but not enough applicants to fill them. With the reassignment, the Superior Region will cover 100% of the employee's payroll and benefits cost. The employees are tentatively scheduled to return to the IBA on April 21, 2021. The Superior Region has also agreed to send staff up to the bridge to assist with snow removal during a severe weather event. With the two retirements and the four maintenance staff reassignments, our current cash flow is now projected to extend through July 2021.
- Peter stated the Sault Locks project is continuing to move along with sandstone removal; all removal to date has been mechanical with no blasting. Hardesty and Hanover will continue to monitor the sensory vibrations of the bridge piers.
- The results of the Port Security Grant the IBA recently applied for has been announced. The IBA was recommended to receive funds; however, cash awards were issued on a priority basis, and unfortunately funds were exhausted before they reached us. The IBA will keep the proposal on hand and we will be ready to submit for future funding opportunities.
- Peter stated he is happy to report the toll study by WSP has been completed and DTMB is in possession of the final scope of requirements needed to issue the toll software request for proposal. Matthew Woodhouse from WSP reviewed the study team's final recommendations with the board. Peter expressed his appreciation to Mr. Woodhouse for all the study team's efforts during what has been a very challenging time. Peter stated the current plan is to have a recommended vendor for board approval by the February meeting; this will be a significant capital investment for which MDOT recognizes the IBA has significant cash flow issues due to the continued border closure. MDOT is currently looking at options to assist the IBA with funding for this project with the earliest we would see cash flow going out for the project being late 2022 or early 2023. More details will be provided at the February SSMBA meeting.

III. Finance and Operations

A. Traffic, Revenue, and Operations

Emily reported as of September 30, 2020 traffic reflects a total decrease of 70.8% compared to 9/30/2019. Commercial traffic was down 10.5% though has remained steady.

B. Third Quarter Financial Report

Emily reported as of September 30, 2020 total assets (excluding capital fixed assets) were \$6.96M; total liabilities were \$4M; total fund balances were at \$2.87M; and total expenditures were \$4.8M. Toll revenue as of 9/30 was at \$2.7M which is 35% of the total budgeted toll revenues for 2020; this reflects a 60% decrease from the same time period in 2019.

C. 2021-2025 Business Plan

Emily stated the final plan assumptions include minimal-low traffic with an anticipated border opening in mid-2021 and does not anticipate full traffic return to pre-pandemic levels until 2024. Peter stated as a result of the audit committee meeting held yesterday afternoon, the following comment will be added to the start of the executive summary: *"The proposed 2021-2025 Business Plan is based on best current available data used to prepare the estimated revenues and proposed expenditures. The plan may be subject to significant amendments during the 2021 fiscal year to account for unplanned changes resulting from COVID19 and continued border closure to non-essential traffic."*

Vice Chair Kinloch stated FBCL is working hard to find alternate sources of revenue and/or funding to support their crossings who have experienced extended border closures; she will keep the board updated on any developments.

Member Buckingham made a motion to approve and adopt the Sault Ste. Marie Bridge Authority (SSMBA) 2021-2025 Five Year Business Plan, including the Asset Management Plan, Capital Plan, and Long-Range Financial Plan, and the proposed SSMBA fiscal year budgets ending December 31, 2021 as presented. Member Shackleton seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

D. 2020 Budget Amendments

Emily stated two budget amendments are being requested: 1) As previously reported to the board, due to COVID-19 CBSA requested advanced cleaning services in which they agreed to cover the expenses for. The IBA contracted the extra cleaning services with an outside vendor; therefore, a budget amendment is needed for the \$56,000 in expenses and for the \$56,000 in offsetting revenue. 2) A budget amendment in the amount of \$274,000 is also needed for the costs associated with the ReachAll rebuild;

FBCL funded this rebuild in which the revenue to cover this expense was recognized in 2019 at the recommendation of our auditor of record.

Member Askew made a motion to amend the 2020 budgets as presented, including the respective Revenue Fund expense and revenue budgets by \$56,000 each to account for the contracted CBSA cleaning income and expense, and the 2020 Capital Fund expense for \$274,100 accrued expenses associated with the rebuild of the UB50 ReachAll. Member Lee seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

IV. **Maintenance Operations**

A. Activity and Project Tracking Report

Asset Manager Marcus Eidenier stated current activity and project tracking reports were included in the board packet for review. Marcus stated overall project labor shows a decrease of 9.7% compared to 9/30/2019; this is due to mandatory state lay-off days and limited seasonal staffing levels.

B. Maintenance Projects

Marcus gave an overview of the major projects the maintenance crew completed this year:

- The crew completed the installation of bearing stiffeners on Pier 19; by completing this project in-house as compared to contracting it out, the IBA saved an estimated \$35,567.
- Recapping of the concrete surface of Pier 19 began and will be completed in 2021.
- Several repairs to the ivory curb rail and green maintenance walk rail were completed.
- 212 of the 286 routine maintenance items, or 74%, were complete; this falls short of our goal of 85% though with all the challenges the pandemic brought we are very pleased with this completion rate. Marcus commended his crew for working hard and remaining focused during this “new normal”.

V. **Capital Project Update**

A. 2020 Fracture Critical Inspection

Due to the confidential nature of the materials to be discussed, per article 15.268 of the Open Meetings Act, Section 8, Paragraph H, a motion was made by Member Buckingham to enter closed session, Member Pickett seconded the motion. A roll call vote was taken by all members present to go into closed session. All present voted aye. The meeting was closed to the public at 9:54 a.m.

Member Shackleton made a motion to re-open the meeting to the public. Member Askew seconded the motion. A roll call vote was taken by all members present to re-open the meeting. All present voted aye. Meeting re-opened to the public at 10:40 a.m.

Rick Wianecki from Hardesty & Hanover stated the 2020 Fracture Critical Member Inspection went well with no significant changes from the previous year and that the Bridge continues to be in good-fair condition.

Member Buckingham made a motion per Article VII, Section 1, Paragraph D of the Intergovernmental Agreement which requires approval of the annual report filed by the engineering consultant, with or without disapproval of certain elements. The Sault Ste. Marie Bridge Authority does hereby approve the 2020 annual fracture critical report dated November 2020 as prepared and submitted by Hardesty and Hanover with no exceptions taken. Member Lee seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

B. Duty Free Store

The Sault Ste. Marie Duty Free Store has submitted a request to the IBA for further financial rent relief due to the continued border closure. A discussion took place regarding potential options. Member White made a motion to approve the IBA to negotiate rent relief for the Sault Ste. Marie Duty Free Store, subject to the Duty Free first applying and providing proof of application and receipt of funds from all available current and expected future government business subsidy programs to the IBA. If the Store provides proof of denial or ineligibility, the IBA is approved to negotiate a prorated percentage of relief of the annual \$77,259 USD payment for the store fiscal year April 1, 2020 to March 31, 2021. Vice Chair Kinloch seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

VI. Election of 2021 SSMBA Chair / Vice Chair

Member Pickett made a motion to elect Natalie Kinloch as the 2021 SSMBA Chair. Member Lee seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

Member Shackleton made a motion to elect Linda Hoath as the 2021 SSMBA Vice-Chair. Member Buckingham seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

VII. **Selection of 2021 SSMBA Meeting Dates**

Member Shackleton made a motion to set the following dates for the 2021 Sault Ste. Marie Bridge Authority regular meetings:

February 18, 2021

May 13, 2021

August 19, 2021

November 4, 2021

Vice Chair Kinloch seconded the motion. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

VIII. **Public Comment**

There was no public comment.

VII. **Adjournment**

Member White made a motion to adjourn. The motion was seconded by Member Askew. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously and the meeting was adjourned at 10:51 a.m.

Respectfully Submitted,
International Bridge Administration



Peter M. Petäinen
General Manager

PP:cs