



## 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  
May 14, 2020  
James McIntyre Board Room  
Sault Ste. Marie, Michigan**

**Present:** Linda Hoath, Chair  
Natalie Kinloch, Vice Chair  
Thomas Buckingham, Sr., Member  
Scott Shackleton, Member  
Nicholas White, Member  
Warren Askew, Member  
Thye Lee, Member  
Anthony Pickett, Member

**Also Present:** Laura Mester, Chief Administrative Officer, MDOT  
Michael Dittenber – Attorney General’s Office, MDOT  
Kathleen Gleason – Attorney General’s Office, MDOT  
Peter Petäinen, General Manager, IBA  
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, Account Technician, IBA  
Holly Bishop, Calculations Assistant, IBA  
Dan Weingarten, MDOT Communications Representative  
Ken Talsma - Principal, Anderson Tackman & Company

Chair Hoath called the meeting to order at 9:03 a.m.

**I. Approval of Minutes**

A motion was made by Member White to approve the February 6, 2020 Sault Ste. Marie Bridge Authority regular meeting minutes as written. The motion was seconded by Vice Chair Kinloch. 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](http://www.michigan.gov/iba)

## II. **General Manager Comments**

### A. Quarterly Overview

- Peter briefly spoke of the recent protests which took place on bridge property; he stated a full report will be shared with board members at a future meeting which will include outcomes and lessons learned.
- Peter reported staff have adapted very quickly to the border closure caused by COVID19. A secondary operations center has been set up in the Canadian maintenance garage, allowing Canadian Operation Supervisors to perform their work from the newly created office. Office staff are working remotely from home, and maintenance staff are split with staff from Canada reporting for work strictly on the Canadian side, and staff from the U.S. are reporting strictly on the U.S. side of the bridge. Canadian toll staff are the only Canadian staff members being required to report to work on the U.S. side of the bridge.
- Peter stated he will be meeting tomorrow with staff from the Chamber of Commerce and the Convention and Visitors Bureau to discuss the annual bridge walk. The walk has not yet been formally cancelled; however, it is anticipated. The potential for a “virtual walk” to provide the opportunity for the two communities to connect in a positive way will be discussed.
- Peter reviewed a preliminary cash flow analysis prepared by CFO Emily Jacques; the results of which have revealed we can operate for up to 12 months without touching our investment reserves if current commercial traffic remains stable.
- Peter reported the peregrine falcons have returned. They can be viewed at [www.saultbridge.com/falcam](http://www.saultbridge.com/falcam).

### B. Toll System Study Update

Peter reported we are actively underway with the toll system assessment with WSP of Michigan and WSP of Canada; there are two years remaining with Conduit, the current contract holder for our toll software. WSP is currently completing the lean process improvement phase and will be moving into the technical review next. WSP will be presenting their recommendations and final report at the August SSMBA meeting.

## III. **Financial Operations**

### A. Bridge Operations & Services

Operations Manager Fiore Cappelli discussed the precautionary changes that have been made to the toll and custodial departments, which include having Canadian Operations Supervisors working out of the temporary operations center in the Canadian maintenance garage. On the days the operations supervisor is stationed in Canada, he assists customers with credit card payments and handles the collectors change, etc. Fiore stated we have used a combination of our State Worker 4's and contracted services with Sparkle Kleen to allow extra disinfecting/cleaning at the CBSA facilities. Fiore expressed his appreciation to all of his staff for stepping up during this trying time and continuing to provide excellent customer service.

### B. December 31, 2019 Audit Report

CFO Emily Jacques introduced Ken Talsma of Anderson, Tackman & Company thanking him for all the assistance he provided her with year-end closing.

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 the best possible independent audit result, which is an “Unmodified Opinion” which means everything was fairly and accurately reported in accordance with auditing principles.

A motion was made by Member Buckingham to approve the December 31, 2019 Sault Ste. Marie Bridge Authority Basic Financial Statements and Independent Audit Report. The motion was seconded by Member Shackleton. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

C. Independent Auditor Renewal

Per the Intergovernmental Agreement the board must approve the auditor for the fiscal year every year. Board approval was requested to approve the next annual contract renewal with Anderson Tackman & Company consistent with the Michigan Auditor General’s Office process for contract renewal as the Sault Ste. Marie Bridge Authority’s independent auditor, for the fiscal year ending December 31, 2020. The next request for proposals for independent auditor services will be issued in 2022.

Member White 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, 2020. The motion was seconded by Member Pickett. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

D. First Quarter Financial Report

i. Bridge Traffic

Emily reported as of March 31, 2020 traffic was down 49.2% compared to 2019; commercial traffic remained flat through March 31<sup>st</sup> which has helped with total revenue. Emily stated a high-level look at traffic for the period of May 1-13, 2020 reveals a decrease of 91.4%.

ii. First Quarter Financial Activity

Emily reported as of March 31, 2020 total assets were \$7.87M; total liabilities were \$3.4M; total fund balances were at \$4.5M; and total expenditures were \$1.72M with all departments being on or under budget.

E. Duty Free Request

Peter discussed correspondence received from Mr. Caria, owner of the Sault Ste. Marie Duty Free Store on the Canadian plaza, who has submitted several requests for the Board’s consideration regarding the terms and conditions of his access lease. The correspondence and requests were discussed in detail at yesterday’s audit committee meeting.

A motion was made by Member Shackleton to approve during the COVID-19 border closure:

- Reduced hours of operations of the Sault Ste. Marie Duty Free Store, and;
- Prorate the annual \$20,000 Kiosk rent during the DFS fiscal year ended June 30, 2020 for the number of days the border is closed to non-essential traffic starting March 20, 2020, and;

- Defer discussion of changes to the minimum annual lease payments to November 2020.

The motion was seconded by Vice Chair Kinloch. 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 snow removal costs were down due to the mild winter we experienced. Building maintenance costs for both Canada and the U.S. were up due to setting up the secondary operations center in the Canadian garage and a scheduled bathroom renovation in the U.S. maintenance garage.

##### B. Maintenance Projects and Equipment Acquisition

Marcus discussed the following maintenance projects planned for the 2020 season:

- Completion rate of 85% for routine maintenance items identified in the 2019 inspection report
- Green rail post replacements
- EMSEAL expansion joint replacements
- Recapping Pier 19
- In-house painting projects to include the ivory curb rail, green maintenance rail, and U.S. arch zone painting

Prior to the COVID outbreak, Marcus stated the IBA moved forward with some planned equipment purchases. The new snooper trailer was scheduled to be delivered in April; however, due to travel restrictions delivery has been postponed until mid-June at which time the company will provide onsite training. The Reachall unit refurbished by Aspen Aerial was picked up on April 7 and looks brand new; training to operate the unit will be scheduled in June for all maintenance staff. Two variable messages signs were purchased as during the recent bridge protest it was determined our previous signs were no longer functional. The IBA was able to purchase a used 2005 Sterling dump truck from List Truck and Equipment Sales in Vassar, MI for a price of \$42,000; the unit only has 26,000 miles on it and has a 25% larger capacity than our 1992 International dump truck which has reached the end of its useful life.

##### C. Request for Capital Equipment Disposal

With the recent purchase of the used 2005 Sterling dump truck, board approval is requested for disposal of the 1992 International dump truck.

A motion was made by Member Askew to dispose of the 1992 single axle International dump truck, VIN# 1HTSDNUN4NH402938. The motion was seconded by Member White. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

V. **Capital Project Update**

A. U.S. Army Corps Engineers (USACE) North Channel Blasting Project

Bridge Engineer Karl Hansen reported Trade West Construction out of Nevada has mobilized onsite to begin the north channel blasting project for the U.S. Army Corps of Engineers. The IBA continues to gather data on pier movements. Karl stated he will provide an update at the August meeting at which time it is anticipated the blasting will be well underway.

B. 2020 Port Security Grant Update

Peter stated he was recently made aware of a \$100M Port Security grant funding opportunity by the U.S. Coast Guard. Peter stated it was a very tight timeframe; however, we were successful in submitting an application. If the application is successful, all bridge security system cameras and servers would be replaced/upgraded. The grant does require a 25% match; however, it is acceptable to provide in-kind services that equals the 25% for which we would use our IBA maintenance staff to do some of the work.

C. Annual/FCM Inspection Frequency Adjustment

As reported at the February 6, 2020 SSMBA meeting, the Federal Highway Administration (FHWA) has proposed new "risk-based" inspection frequencies for big bridges. Karl stated in the past, the IBA has always exceeded inspection frequency requirements by doing an annual inspection once every year, and a half bridge fracture critical member inspection each year. Under the new FHWA guidelines, the IBA now proposes to do an annual inspection every other year, and a full fracture critical inspection every other year, resulting in one full inspection each year; this will result in a savings of \$500K over a ten year period of time.

A motion was made by Member Lee to approve the implementation of an inspection schedule in accordance with the current Federal Highway Administration bridge inspection requirements, which will have General and Fracture Critical Member inspections performed biannually, on alternating years. The motion was seconded by Member White. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously.

VI. **Public Comment**

There was no public comment.

VII. **Adjournment**

Member White made a motion to adjourn. The motion was seconded by Vice Chair Kinloch. A roll call vote was taken by all members present. All present voted aye. Motion carried unanimously and the meeting was adjourned at 10:14 a.m.

Respectfully Submitted,  
International Bridge Administration



Peter M. Petäinen  
General Manager