



## SAULT STE. MARIE BRIDGE AUTHORITY

SAULT STE. MARIE, MICHIGAN  
NICHOLAS WHITE, CHAIR  
THOMAS BUCKINGHAM SR., MEMBER  
LINDA HOATH, MEMBER  
SCOTT SHACKLETON, MEMBER

SAULT STE. MARIE, ONTARIO  
NATALIE KINLOCH, VICE CHAIR  
WARREN ASKEW, MEMBER  
THYE LEE, MEMBER

### Sault Ste. Marie Bridge Authority Minutes November 10, 2022 James McIntyre Board Room Sault Ste. Marie, Michigan

**Present:** Nicholas White, Chair  
Natalie Kinloch, Vice Chair  
Scott Shackleton, Member  
Warren Askew, Member  
Thye Lee, Member  
Rémi Paquette, Member

**Absent:** Thomas Buckingham, Sr., Member  
Linda Hoath, Member

**Also Present:** Peter Petäinen, Bridge Director, IBA  
Laura Mester, Chief Administrative Officer, MDOT (via MS Teams)  
Michael Dittenber, Attorney General's Office, MDOT (via MS Teams)  
Emily Jacques, Chief Financial Officer, IBA  
Fiore Cappelli, Operations Manager, IBA  
Karl Hansen, Bridge Engineer, IBA  
Cheryn Sanford, Departmental Analyst, IBA  
Dan Weingarten, MDOT Communications Representative  
Richard Wianecki – Hardesty & Hanover, LLC  
Mark Helinski – Hardesty & Hanover, LLC

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

Vice Chair Kinloch introduced Rémi Paquette who was appointed to the SSMBA Board effective November 1, 2022, for a two-year term. Member Paquette has been with the Federal Bridge for approximately one year and is in charge of all corporate services. Welcome Member Paquette!

#### I. Approval of Minutes

A motion was made by Vice Chair Kinloch to approve the August 18, 2022, Sault Ste. Marie Bridge Authority regular meeting minutes as written. The motion was seconded by Member Shackleton. Motion carried unanimously.

REPLY TO: PETER M. PETAINEN, BRIDGE DIRECTOR

## II. **Bridge Director's Comments**

### A. Duty Free Store Lease

Peter reported he and Emily recently held negotiations with the Canadian Duty Free operator. Negotiated terms were discussed in detail with the SSMBA Audit Committee at their meeting held yesterday afternoon.

A motion was made by Member Shackleton to approve the Canadian Duty Free lease agreement with the terms as recommended by the SSMBA Audit Committee as follows:

- Three-year extension of the 20-year base lease, to expire in 2034
- Pro-rate Kiosk minimum lease for June 30, 2022, based on the current period of traffic compared to the equivalent period of pre-pandemic traffic (2019)
- Annual minimum discounted by 35% from July 1, 2022, to June 30, 2023 (NOTE: 35% reduction is only applicable if gross sales fall below the minimum threshold of \$1.3M)

The motion was seconded by Member Askew. Motion carried unanimously.

### B. Other comments

- Peter reported the Blue Water Bridge Canada was the last to go-live with the new toll software on September 29, 2022. This milestone was celebrated by all three locations with a joint ribbon cutting celebration. Final bugs of the system are currently being addressed, after which time we will enter the Operational Acceptance Testing (OAT) phase which will last three months. At the conclusion of the OAT phase the one-year warranty period will commence.
- Peter reported the IBA will be acquiring a surplus loader from MDOT for \$5,000; a comparable used loader is estimated to cost between \$25-30k. This will eliminate the need for the IBA to lease a second loader for the winter months each year.
- Peter reported on October 31<sup>st</sup> the bridge celebrated its 60-year anniversary. MDOT Mapping and Media has reached out to the IBA to express interest in showcasing the bridge on the 2023 State of Michigan Map to commemorate the anniversary.

## III. **Bridge Engineering and Maintenance**

### A. Canadian Railing Paint Project

Bridge Engineer Karl Hansen reported Hastings Painting from Windsor, Ontario was able to complete the rail paint project three weeks early, with 170 total repairs made to the steel of the ivory curb rail.

### B. 2022 Fracture Critical Member Inspections

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 Vice Chair

Kinloch to enter closed session, Member Shackleton 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 9:16 a.m.

Member Lee made a motion to re-open the meeting to the public. Member Shackleton 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 9:49 a.m.

Rick Wianecki from Hardesty & Hanover stated the 2022 Fracture Critical Member Inspection went well with no advancement of prior findings reported. Mr. Wianecki stated the Bridge continues to be in good condition.

Member Shackleton 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 2022 Fracture Critical Member Inspection report dated November 2022 as prepared and submitted by Hardesty and Hanover with no exceptions taken. The motion was seconded by Member Lee. Motion carried unanimously.

C. Maintenance Operations

i. Activity and Project Tracking

Bridge Engineer Karl Hansen reported due to the addition of a couple new staff members, there was a slight increase in labor and benefits compared to the same time period last year.

ii. Maintenance Projects

Karl stated the maintenance crew continues to put their best effort forward with continued limited staffing. In 2023 the crew will continue to address routine maintenance items and will complete Pier 19 repairs. Spot painting will also be a priority in 2023.

Bridge Director Petäinen expressed his appreciation to the maintenance crew for their level of effort with the ongoing reduced staffing levels.

IV. **Finance and Operations**

A. Traffic and Revenue

CFO Emily Jacques reported as of October 1, 2022, Canada dropped all border-crossing vaccine requirements. As of September 30, 2022, total traffic showed an increase of 230% compared 9/30/21; this is still a decrease of 42% compared to pre-pandemic traffic in 2019. October has shown a bit of an increase resulting from the vaccine requirements being lifted as the traffic decrease improved to a 38% decrease

from pre-pandemic levels. We continue to keep a close eye on commercial traffic which showed a 14.7% decrease at the end of September; this improved slightly in October with a 7% decrease.

B. Third Quarter Financial Report

Emily reported total combined balance sheet assets were at \$8.8M as of September 30, 2022, and total liabilities were at \$4.7M. Total revenue as of September 30, 2022, was \$3.1 million and total expenditures were at \$6.9 million.

C. Equipment Disposal

Bridge Director Petäinen requested board approval to dispose of six digital message signs which were part of the old toll canopy and were purchased in 2008 for \$120k. Additionally, approval to dispose of old Conduent toll system lane server equipment is requested.

Member Shackleton made a motion to dispose of six Daktronics Digital Message Signs and associated equipment, and to dispose of obsolete Conduent toll system computer equipment. The motion was seconded by Member Askew. Motion carried unanimously.

D. 2022 Proposed Budget Amendments

Emily stated after a careful review of the timing of the toll project budgets, a budget amendment for both revenue and expenditure budgets is being requested. The request is to increase the expected revenue from our project partners by \$275,232 and the project expenditures by \$405,117 to account for project changes. These changes are related to toll project change orders, the value of the WSP project Design Assistance contract, and the STAR System Tag orders. It also included unplanned but needed lane equipment upgrades for unsalvageable equipment from the previous toll software. Additionally, a budget amendment is required to both the revenue and expenditure budgets for facility support costs related to both IBA maintenance and CBSA Section 6 support costs. This is primarily driven by inflationary increases in 2022. The total increase to the IBA is expected to be \$23,205 and to FBCL of \$48,785.

Vice Chair Kinloch made a motion to amend the 2022 budgets as proposed in the board packet and recommended by the audit committee. The motion was seconded by Member Shackleton. Motion carried unanimously.

E. 2023-2027 Business Plan

Bridge Director Petäinen expressed appreciation for all of the comments received on the draft business plan. All changes have been reviewed and incorporated into the final plan which is being presented to the board for approval.

Member Shackleton made a motion to approve and adopt the Sault Ste. Marie Bridge Authority (SSMBA) 2023-2027 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, 2023, as presented. The motion was seconded by Member Askew. Motion carried unanimously.

V. **Election of 2023 SSMBA Chair and Vice Chair**

Member Askew made a motion to elect Natalie Kinloch as the 2023 SSMBA Chair. Member Lee seconded the motion. Motion carried unanimously.

Member Shackleton made a motion to elect Member Buckingham as the 2023 SSMBA Vice-Chair. Member Lee seconded the motion. Motion carried unanimously.

VI. **Selection of 2023 SSMBA Meeting Dates**

Vice Chair Kinloch made a motion to set the following dates for the 2023 Sault Ste. Marie Bridge Authority regular meetings:

February 23, 2023  
May 18, 2023  
August 17, 2023  
November 16, 2023

Member Shackleton seconded the motion. Motion carried unanimously.

VII. **Public Comment**

There was no additional public comment.

VIII. **Adjournment**

A motion was made by Member Shackleton to adjourn. The motion was seconded by Member Paquette. Motion carried unanimously and the meeting was adjourned at 10:19 a.m.

Respectfully Submitted,  
International Bridge Administration



Peter M. Petäinen  
Bridge Director