



# Board of Director Regular Meeting Minutes

March 29, 2022 Recorder: Donna Halvorsen

1. **Call Meeting To Order:** Jeff Nickerson called meeting to order at 10:04am.

2. **Roll Call:**

Chair	Klawock	Jeff Nickerson	present via teleconference
Vice Chair	Thorne Bay	Harvey McDonald	present via teleconference
Sec/Tres	Craig	Otis Gibbons	present via teleconference
Director	Coffman Cove	Brian Wilson	present via teleconference
Director	Hydaburg	Sam Mooney	present via teleconference
Director	At Large	Doug Rhodes	present via teleconference

Staff Present: Ron Curtis, Kristine Hansen and Donna Halvorsen

Staff present via teleconference: Chrissy Torsey-Lucero

Public Present: None

Public present via teleconference: None

3. **Approval of Agenda** Motion: Approve agenda as amended; moved by Sam Mooney and seconded by Brian Wilson. Motion approved unanimously.

4. **Approval of Minutes** Motion: Approve minutes from December 15, 2021; moved by Harvey McDonald and seconded by Brian Wilson. Motion approved unanimously.

5. **Public Comment** none

6. **Correspondence** Jeff states he received a "Congratulations/thank you note for the IFA 20-year anniversary" from Senator Dan Sullivan, and read it aloud to us. Ron states the IFA received similar letters from Don Young and Lisa Murkowski and that they are at Hollis Terminal.

7. **General Manager's Report**

- 1) COVID Update - The Face Mask Executive Order for public transportation that was set to expire on 3-18-2022 was extended to 4-18-2022. We currently have no active cases.
- 2) Funding Status – The 6M grant of CRRSAA funds is in the hands of Alaska Community Transit and they are working to make the funds available to us. We continue to work with the Governor's office regarding these funds.
- 3) SE Conference –SE Conference Mid-Session meeting was informative. I made a connection with Bruce Lambert of MARAD. We had a follow up meeting on the Stikine in Ketchikan. We are exploring some funding possibilities from this agency.
- 4) Infrastructure Bill – I was informed that a new batch of Infrastructure funding has become available for operators with routes under 50 miles. I have a conference call concerning these funds on Wednesday.

I met with Miles Baker the head of the Financial Analysis for the State. We have been discussing options on receiving infrastructure funds.

- 5) There will be a Grant Symposium organized by Lisa Murkowski April 11 & 12 in Anchorage. The 11<sup>th</sup> is a Federal symposium, the 12<sup>th</sup> is a State symposium. Chrissy will be attending.
- 6) Operating Status – We are currently running 7 days a week.
- 7) M/V Prince of Wales status – In Operation.
- 8) MV Stikine Status – Currently in Dry Dock until about 4-15. Propulsion system overhaul and upgrades.
- 9) Staffing – We are currently looking for a Relief Deck Hand and one terminal agent in both KTN and HYL. We are also down our Port Engineer. Our Assistant Port Engineer, Rich Rogers and I have been filing the gap until we can identify a long-term solution.
- 10) Metlakatla Run – The M/V Lituya will be out of service in June, July and August. We will be initially offering 4 day a week service and may go to 5 day a week service if volume dictates. We will be increasing our traditional fare for the Met run to be more in line with the average fare the AMHS charges. This will be a 15% increase to our traditional fare.
- 11) Budget – While Chrissy will cover off on the first reading, I wanted to chime in on wages. Due to the nature of the current economy I have asked Chrissy to budget a 5% COLA. I am not usually a fan of COLA but we will continue to lose employees if we don't do something. In addition to the 5% COLA we are budgeting an additional 5% in wages for step and merit increases.
- 12) Lifetime pass for DeeDee Jefferies. I would like to add DeeDee to the list of lifetime pass recipients for her long service as a dutiful Board member. Furthermore, I would like to re-write the lifetime pass policy to include board members with more than 10 years of service. Respectfully Submitted, Ron

Jeff asked if we talked to AMHS and MTM fare and run? Ron states he talks to them about run/fare but how the process goes is that AMHS declares that they will need to do maintenance on the Lituya thus cancelling runs for that timeframe. Metlakatla Mayor then contacts IFA and requests that we provide service during that time. If the IFA accepts the request, the IFA must get permission from AMHS to use the Annette Bay dock. Ron continues that we use AMHS fares and schedule as a guideline for what to charge and when to sail. Jeff was concerned about increasing their fare yet reducing service. Ron replies that because the fuel prices have increased so much, we need to be sure we can cover costs; if ridership warrants more than 4 sailing days per week, we will increase to 5 per week. Harvey asks what's happening with Saxman dock and how that would effect IFA. Ron states its still in discussion stage and that the mayor's of Saxman and MTM are considering creating their own port authority and making that run; nothing set in stone to date. Sam likes the suggestion to include BOD in Lifetime pass travel benefit and would like to see it on next meeting's agenda. He also asks about how vacancy for Port Engineer position is being handled, and Ron states we are looking at 6 months to evaluate where we're at. He continues that he thinks it may take 6 months to decide best option - to hire within, to create a position between Port Eng and Assistant Port Eng, to hire a new Port Eng or to consider any other options that are thought of. Doug asks about AMHS dynamic pricing and how we will compare to it, and Ron and Donna state our new fare will be in the lower 1/3 range of their pricing, so still very reasonable. Doug also states he agrees with the 5% COLA and that it's a great idea.

8. **Old Business** none

9. **New Business**

- a) Update on 3 expiring BOD seats: Donna states Coffman Cove reappointed Brian Wilson and Thorne Bay reappointed Harvey McDonald to BOD seats; we have not heard from Hydaburg yet. Acceptance of the 2 reappointments will occur at our next meeting. I will continue to contact Hydaburg Mayor and Sam will follow up as well. Otis asks about Officer Terms, and Donna states they are up to renew June 2023.

- b) **1<sup>st</sup> Reading of FY2023 Budget:** Chrissy                      **Motion:** Approve Resolution No. 2022-03  
Accept 1<sup>st</sup> Reading the FY2023 Budget; moved by Harvey McDonald and seconded by Brian Wilson. Chrissy states that this is the highest budget in quite some time and the main reason is because of increased fuel prices. She continues that IFA has not always been able to do step or merit increases or provide a COLA but because of current inflation, it is recommended. She states that she anticipates ticket revenue will be higher because of our fare increase last year and because of us covering MTM run. She also states that the Port Eng position expenses are calculated into this budget even though we don't know when that position will be filled. Brian thanks Chrissy for providing the past information on fuel prices. Chrissy states she also plans to send out a summary comparison of the last 5 year's budgets for your convenience. Ron states that management has discussed the option of a fuel surcharge but to eliminate negative press, the IFA will not consider utilizing it until the federal CRSSA operating funds are no longer available. Jeff agrees with the way we are handling this and the way we are taking care of our customers. Motion approved unanimously.

10. **Board Comments** Harvey asks Ron about funding, and Ron has Chrissy answer. Chrissy explains the 6 million in CRRSAA funding was originally allocated from SOA through the Federal Highway or Ferryboat funding programs, and the IFA could see another 6 million but not positive. There is ARPA funding with SOA which oversees all Federal grants allocated to rural transportation agencies which in Alaska is 12-13 agencies so between ARPA funds and additional CRRSAA funding, IFA could receive 1.4 million dollars. Its held up right now, and the way this works is we spend the money then ask for reimbursement by submitting monthly reports on our expenses but it takes time. So none of those contracts are in place yet but they are guaranteed. We will be able to go back to the time they declared the Covid emergency, and for grant purposes they made that January 20, 2020 so any allowable expenses that we haven't already requested reimbursement for, we can request that now. We have been awarded 1.1 million under the 5311 grant, and we have received almost 460K in this year's reimbursement request so we have more to use. The governor's allocation has historically been 250K per year and is a reimbursement type of funding as well, submit monthly reports get reimbursed; this year we've used about 96K so far. And if you recall under revenue, we budgeted to use 750K but so far have only used the 96K. Chrissy finishes by stating that our revenues are doing much better right now so we haven't had to use it except for the 5311 match. Harvey asks if the 'gen set' on vessel has been repaired, Ron replies yes. Harvey asks about the 50 mile R/T funding option. Ron replies we can't meet that criteria even though we've tried looking at whether adding Coffman Cove/Ketchikan route once a month in the summer or if the MTM run makes us eligible for that \$ but not sure if it will. Ron continues that there is another possible option recently available for ferry operators that have routes under 50 miles R/T. Ron states he hopes to utilize this new possible option to acquire another boat, there is a lot of \$ in this new pool. He has a conference call tomorrow so will update you. Doug states the over 50 mile R/T recipients include Alaska only while the under 50 mile R/T includes all states so we will have a lot of competition, is that correct? Ron states absolutely correct. Doug also thanks staff for having the booth at the Trade show, it really looked good. Jeff agrees with Doug and also states that this was a good meeting and appreciates all the work that goes into these meetings. He also asks if Chrissy needed anyone to go with her to the grant workshop as there will be a lot of information presented. She said in an effort to keep cost down, she is comfortable doing it alone; she is using Alaska miles for the plane ticket and had credit with Island Air so only cost will be hotel.

11. **Schedule Next Meeting**                      TBA but sometime in June 2022

12. **Adjournment** Motion: Adjourn meeting at 10:56am; moved by Sam Mooney and seconded by Harvey McDonald. Motion approved unanimously.