

A meeting of the Maine State Ferry Service Advisory Board was held on March 14, 2019, at the Rockland Ferry Terminal.

- A) Role Call of island/town reps:
Matinicus, Vinalhaven, North Haven, Islesboro, Frenchboro, Swan's Island, Bass Harbor

- B) Introduction of Visitors:
Bruce Van Note, Commissioner of MDOT
John King, alternate for Islesboro
Gabe Pendleton, rep from Islesboro
Tony Shrabel (?), Swan's Island
Lisa Shields
rep from Islesboro Island News
Phil Seymour, Islesboro
John Emerson, North Haven
Rick Latimer, North Haven
Andrew Dorr, Vinalhaven Town Manager
Laura, Bangor Daily News
Working Water Front Island Institute
Phil Crossman, Vinalhaven
Jim Savoie, Asst Port Engineer, MSFS
Mike McKenna, MDOT
Bill Pulver, COO DOT

- C) Approval of Minutes: Prior minutes approved with no discussion

- D) Communications: Nothing to report from Towns

- E) Reports of the Board: None

- F) Reports of the Department:
 - a. **Finance:** A 3 year variance report as of the end of Feb for FY 17, 18 and 19 was included in a hand out and it tries to identify over and underspending
Income: Fare loss up \$59,0000, parking down \$23,000, overall revenue is up \$17,000 over last year
Expenditures: Personal Services up \$46,000, prof fees & services up \$241,000 (project staffing and legal bills), fuel up \$209,000, repairs down \$600,000, though Philbrook bill came in for \$374,000
Cash balances slightly lower than last year at this time
Mark Higgins noted that maintenance costs project out another \$750,000 and we still need to haul out the Burgess, as well as the Smith repair
Lisa Shields asked if we anticipate going over budget for repairs. Mark replied that the budget was \$855,000 and we've consistently spent more than that the last 3 years.

Average age of fleet is almost 32 years. Mark estimated that repairs will cost \$1.9M instead of what was budgeted and that forecasts are trying to be made accurately.

- b. **Vessel Status:** Jim Savoie said Philbrook passed Coast Guard COI with no major issues, Libby is ready to go to Matinicus, Curtis is available for all trips. Waiting to hear from Rockland Marine for Burgess—COI was extended until the end of this month. Henry Lee is doing it's job Down East. No issues with Smith though it will be hauled out for production gear issues. Thompson available for all trips.
Jim attempted to present a slide show but equipment wasn't working. He and others then answered questions about several topics including schedules, haul outs, man-overboard drills and rescue boats. There were several questions about if certain repairs and haul outs are considered capital expenses or regular expenses because it makes a difference for revenues for the MSFS.
- c. **Haul Out Schedule:** Mark Higgins handed out a report of projected dates. There were no questions.

G) Island Specific Issues:

- a. Kathy and Mark clarified the Frenchboro cancellation policy about make up trips. If both town managers are in agreement, make up trips are ok though the crew's time needs to be considered, especially in the summer.
- b. Concern that Vinalhaven terminal will not be adequately staffed this season
- c. Discussion about the 3:15 departure time from Vinalhaven listed on the website

H) Old Business:

- a. Commissioner Van Note discussed avoiding disruption of service due to lawsuit and legislation, and taking a fresh look at the new tariff with a new, open process. He'd like the tariff to hold for 4 years or longer. He discussed his background and talked about the importance of fairness and listening. His goal for the time frame of the rate change is 120 days.
- b. Bill Pulver handed out an explanation of revenue. Ridership is down. Projection is that that there will be a \$200,000 shortfall for revenues. The hope is to have a rate structure that will get us through 4 years. Need a 17% rate increase.
- c. Bill answered questions about needing additional crew on the new boats. Mark helped answer questions about ridership being down. Lisa Shields had a question about the decline in ridership and the change in time of the last boat for Vinalhaven. There was discussion about the legislative process of the rate change and the impact on island communities. There were questions and discussion about the need for MSFS to earn 50% of its own revenues. There were comments and discussion of seasonal rates. There was a suggestion to look at reducing costs instead of raising revenue. There was concern voiced that funds come from the highway fund instead of a fuel tax. A question was posed about projecting future ridership, especially for Islesboro and how private enterprises are cheaper than the MSFS at this point. Commissioner Van Note urged those with concerns about tariff 8 to communicate with Mark who will compile everything and pass it on to all involved parties. It was noted that strong, transparent

and frequent communication is of utmost importance. There was a request for monthly reports of revenue and ridership by island.

- d. Emergency trips: Mark Higgins said we are waiting to hear from the Coast Guard, which should be in the next 30 days.
 - e. Cancellations: Mark Higgins said cancellations were down 30% from last year.
 - f. Lisa Shields (and John?) had asked that a discussion of waivers (for emergencies, for example) be on the agenda. She asked if there is there an update from legislators. Angus King had written a response saying he is following up on it.
 - g. There was a question about an infrastructure report that was quickly resolved.
 - h. There was a motion that the Chair of the FSAB write a letter to the MSFS commissioner to be sent to the legislative delegation re: waivers for vehicles that could have their engines running for defined reasons. It was discussed that is a federal issue. The motion was seconded, voted and approved.
- I) New Business:
- a. Do we want to update the By-Laws? And if so, bring suggestions to May meeting. It was suggested that Phil be the leader. He accepted and offered to send out a proposed amendment before the next meeting. It was stressed that input from all the islands is important. There was discussion on the pros and cons of bringing a draft to the meeting or making it more open ended. There was a motion to begin the work of amending the By-Laws which was seconded, voted and approved.
 - b. Mark Higgins is the clerk of the Board, though he previously didn't know it was his role. He mentioned that a Business Manager for MSFS will be hired 4/1. There is discussion about who should be the clerk and the role of this position. Appointment letters need to be sent and minutes filed with DAFS (Dept of Financial Services). Minutes are the responsibility of the MSFS manager. There was a motion to elect a Clerk of the Board to do the statutory responsibilities. It was seconded, voted and approved.
 - c. Is it reasonable to expect minutes within a week of the meeting? MSFS will improve that process with the hiring of a business manager and admin support.
 - d. Discussion of nomination and election of Board Chair: Eva was nominated and the motion was seconded, voted and approved. Ernie Littlefield resigned as the Mainland representative. There are currently 2 vacancies which were not filled at this meeting. The commissioner will prioritize filling the positions. There were suggestions for the appointees.
- J) Meeting adjourned after much discussion about the date of the next meeting.