

MAINE STATE FERRY SERVICE ADVISORY BOARD MEETING MINUTES November 5, 2020

A meeting of the Maine State Ferry Service Advisory Board was held at 10:30am on Thursday, November 5, 2020, via Zoom.

A) Roll Call: Matinicus, Vinalhaven, North Haven, Frenchboro, Swan's Island, Bass Harbor, Mainland, Islesboro

B) Introduction of Visitors/List of Attendees:

Eva Murray, Matinicus, Chairperson

Bill Pulver, MDOT

Dave Bernhardt, MDOT

Mike McKenna, MDOT

Mark Higgins, Manager MSFS

Joanne O'Shea, MSFS

Duncan Bond, Frenchboro (FB)

Phil Crossman, Vinalhaven (VH)

Jon Emerson, North Haven (NH)

Kathy Clark, Swan's Island (SI)

Sonny Sprague, SI

Lindsay Davis, VH

John King, Islesboro (IS)

Phil Crossman, VH

Genevieve McDonald FB at Maine Legislature

Christina Lunt FB

Carol FB

Ron Wright FB

Cheryl Connolly FB

Eric Best FB

Rod Bost and his wife FB

John Roos FB

Jan Keiper FB

Eli Strauss Gott Boat

Robert Strong FB

Morgan Urquhart representative for Jared Golden

Mark Gousse Superintendent of Schools MT. Desert Regional School

Daniel Debord FB

Lauren Jennings FB

Louie Louchini, State Senator for Hancock County

Craig Olson Island Institute / IS

Bill Banks SI

Douglas McMullin, Maine Coast Heritage Trust / FB

Kim Brown FB

Maggy Wilcox IS

Peter Wilcox IS

Chris Hodgkins FB

Bob Deforrest Maine Coast Heritage Trust

Will Woodworth, office of Congressman Jared Golden
Sarah Brake FB
Rick Lattimer NH
Richard Turner FB
Mabel Lunt FB
Rachel Bishop FB
Karen Robins FB
Caroline and Brian Coffay FB
Joe Lunt FB

We will use zoom video as the minutes in the future.

C) Approval of Minutes from September 17, 2020-moved, seconded, no discussion or disagreement, all voted in favor, unanimously approved.

D) Communications to the Board – Mark: We will discuss Gott boat and SI schedule later in the meeting, as we have received communication on these subjects.

E) Reports of the Board –none. Finance sub-committee will be discussed under New Business.

F) Reports of the Department

1. Financial Report—Mike presented the following reports which were emailed to the Board ahead of the meeting:
 - a. FY 2019 & FY 2020 Variance as of June 2020
 - b. FY 2019 & FY 2020 Variance as of June 2020 detailed report
 - c. FY 2020 & FY 2021 Variance as of October 31st, 2020

Highlights from Mike McKenna: He spoke to Director of finance regarding \$1M of FTA Cares money— Personal Services was reduced by that amount on his report. For the report to be correct, Personal Services should be raised by the \$1M to get a true picture.

Revenue is up \$100k over last year. Parking is \$13k under. Total revenue is \$750k; mostly due to timing issue on highway fund, which didn't hit the 10/31 deadline.

Line 3110 (Personal Services) is down \$116k as employees are coming on full time.

One time-retro payment (line 3616) down \$600k. Mike will send out revised report.

Diesel down \$40k.

Repairs are down \$450k due to timing issue on Philbrook bill.

Overall, expenses down \$980k from last year.

Cash balance is \$2M.

All FTA Cares monies have been received. John King notes that he hasn't had time to review reports that Mike sent. He asks if we have an expectation of receiving more FTA Cares money. Mark says not at this time. Bill says we analyzed drop in revenue due to drop in ridership due to COVID. He reports that Sept and Oct presented an uptick. We projected \$2-3M negative due to lower ticket sales but using current projections we hope it will be "only" \$1.5M—it's a moving target and hope we may receive more Cares money.

John King refers to ridership vs revenue. He can't make sense of why revenue is down as much as it is. He asks for an explanation. Bill says there is a lag in reporting revenues to ticket sales and that people can buy tickets ahead of when they use them. John says there's a very wide disparity—ridership is not down 66%.

Eva says there is a request to identify themselves when they speak.

Jon echoes John's concern of disparity between ridership and revenues being down. Public thought is that ridership doesn't appear down too much.

Bill says the 66% was based on peak ticket sales prices. He will get more data to flesh it out.

Lyndsay suggests 2 reasons for discrepancies: she bought a ton of tickets in Sept 2019 and lots of people do that. Secondly, she thinks there's fraud going on, though she hadn't witnessed anything herself.

New Business items moved up in the agenda:

Gott Boat

Genevieve says we are waiting for Chris Rector from Senator King's office

John King asks for background on Gott Boat.

Gabe makes motion to go out of order to discuss Gott Boat contract renewal.

Dennis wants to amend motion to talk about Gott and SI schedule. No objection, seconded.

Duncan—defines Gott Boat schedule: April- Nov on Fridays 8am-9am and 5pm -6pm from BH to FB.

The boat is run by Eli Strauss, who is in attendance. Strauss family has been working this service for 30+ years. Duncan's opinion is that this is one of the best components of the MSFS: Captain Eli never misses trips, is always on time, is polite and helpful and he doesn't charge for bicycles.

Every Friday costs \$1040, or \$36,400/season. State would pay half so it would be \$18,200. Less the \$8,471 received in revenue (from a document provided ahead of meeting), it would be about \$9,729.

Parking needs to be considered. Ferry service doesn't know how much parking reduces deficit.

Gott boat covers all costs: licenses, insurance, fuel, capital costs.

He says COVID and lobster industries are reasons for retaining Gott boat. It helps tourism and makes it easier for teachers and lobsterman.

We have 15 year-round communities and we don't want FB to be eliminated—it's a small island with low economy.

Another reason to keep the Gott boat: 1st and 3rd Wednesdays (double car ferry twice a month).

With Gott boat you have more options to get to doc appts, school field trips.

The process hasn't been well done—they heard about this just last week.

Gott is 40% of ferry service. Is it costing that much, compared to other islands?

He urges strongly to renew the contract.

Eli: Duncan did fantastic job of saying why it's important. This is a service that has gone on for 30 years.

Those on FB have grown up with this service as a way of life. It provides a lot of things that make life possible on the island. He says the financial impact is minimal to the overall budget. A water taxi for 6 passengers is \$500. The ferry cost since he started has gone up about \$100. For his tour business, when he started they were \$16 ten years ago, today they are \$40. He hasn't raised his price because he wants it to be economical for the ferry service and because of the emotional attachment to the island. The state of Maine should have this attachment too. It would be tragic to start the beginning of the end of FB, especially this year with COVID.

Christina Lunt—adds data: at 5hrs/day, students receive 30 of services/month vs 8 hours without the Gott boat. A substitute teacher also lives on FB—if they have to hire the sub, it is a budgetary issue and access issue for school. 30 years ago, she was told that keeping the Gott hinged on ridership. She asks if there a significant decrease in ridership in the past couple of years.

Mark: Clarifies why this issue is on the agenda: the contract is up. Across the board we need to make decisions.

Eli: Says the contract is for 8 years, that we are at the end of the initial 4 years and that the contract says it can be renewed one year, for the following 4 years, if both parties agree.

Mark Gousse—echoes above comments. From school perspective, he says this service is vital to continue benefits to school—it's a lifeline for students. From personal standpoint—he supports what Eli says.

Sonny—he thinks it would be wrong to take away Gott boat from FB.

Dennis—Eli talked about 8-year contract that is renewable. He wants to know length of contract. Mark has contract in front of him. It commenced 4/1/17, expires 11/30/20. Every year would be up for discussion to continue for the next four years on a yearly basis.

Dennis reiterates that it expires this month that could be renewed by mutual agreement.

Mark: correct. A 2% escalation factor shall be added per the contract.

Eli: To give history—he was the only one to bid on the contract. It was not set up with the intent of not continuing after 4 years. The intention was to make it 8 years.

Jan: former teacher at FB, echoes importance to school. We are talking about an incredibly small amount of money compared to the budget. Do we consider impact to society, tourism, economy, other than daily life impacts? She feels decision is being made in pandemic year due to budget impacts.

Genevieve: is this on agenda because it's up for renewal or if MSFS is considering not renewing the contract—these are 2 very different items. Also, what is target amount of savings the MSFS is trying to reach?

Mark: We are looking at every contract that is up for renewal. We haven't made any decisions. We are giving public notice that we are looking at every contract. This is the only contract we have with a private passenger ferry transporter—it is unique. This is the right place to have these discussions and give notice of expiring contracts.

Genevieve: Question for Mark or Bill--What is target for the MSFS? Also, she asks if there is an email list to stay in the know.

Bill: we are seeking advice to renew the contract, which happens to coincide with pandemic. We wanted to speak with FSAB and town before making decisions.

We were on target with budget pre-COVID. With COVID, we were projecting -\$2-3M with ridership being down. It's currently looking better. For this service, we appreciate the feedback on this service. We subsidize Gott about 75% without parking revenue. Ultimately commissioner Van Note will make the decision, with the feedback from this meeting. Reducing trips is a big deal for the islands and it's difficult to find savings through operations. The decision would be made before April when the season starts again.

Genevieve encourages the MSFS to renew the contract.

Mark lets Genevieve know that the FSAB information is posted publicly on our website.

Dennis: wants to make a motion for FSAB to vote on.

Douglas McMullin: reminds people that beyond community needs, the one ferry is the primary access point for conservation efforts.

Roos: everyone has made great points. He runs the deli and relies on the Gott boat. So few people know about the island, and it's the ferry that is the way people discover it

Dennis: moves that the FSAB recommends that the option year coming up be accepted by the State of Maine including the 2% clause. Seconded. No other discussion. Voted. Unanimously approved.

Swan's Island Schedule:

Dennis: he had written a letter to Mark which he paraphrases: throughout 26 years on FSAB, he understands FB, SI and Longs best—he asks to temporarily adjust the schedule during Nov and Dec. The only impact he saw was the crew's dinner break, but it improved island life. The request was denied, and he asks Mark to respond.

Sonny: we've had lots of problems getting trucks to island with the schedule. To get 3 trucks on the boat, it's 5 cars. The dumpster is an issue too. We can't expect a truck to come on at 7:30 and not get off until the afternoon. They submitted a schedule where they could get another trip and would not impact FB. It would shorten the crew lunch hour. 2 businesses said that they had a lot of issues with the schedule.

Kathy: asks for the regular fall schedule.

Bill Banks—we used to have 4 schedules. With COVID schedule, Wed and Thurs takes truck driving out of business—there's not a reasonable turn around time. Lumber trucks take Tues reservations. Mon and Fri is all that's left. Between priorities and lumber yards, reservations are difficult to come by. Commerce and contractors are heavily impacted. Turn around time is key. Convenience factor should be considered.

Mark: We are on our COVID schedule. About 15% of workforce are on leave. Collective Bargaining contractual requirement for 30 min lunch. We are trying to minimize exposure to COVID...if someone gets sick, we will have to shut down. The Governor is calling for reduced travel. We need to keep boats clean. The safety of our crews and cleanliness are most important. He refers to ridership traffic: we are able to meet the truck demand with the current schedule. We are trying to balance convenience with how we operate during COVID19.

Bill Banks: The fewer trips you have, the more people on a boat, the more exposure to COVID you may have. There seems to be plenty of time for cleaning. Office staff are trying to accommodate the reservations.

Bill asks for clarification of the schedule.

Mark: post COVID Thursdays, lunch will need to be corrected. Regular schedule will go into effect Jan 3. He wants to discuss just having a summer and winter schedule, to simplify.

Billy says the 12:45 and 1:30 are the critical times.

Jan—when Swan's changes, it will impact FB.

Eva: Would we like a motion from the FSAB?

Mark—no motion needed. He wants to simplify the schedule.

Bill Banks—Wed and Thurs—we need 12:45 1:30 at least until end of year. It's costing a lot.

Mark—We considered all aspects before putting schedule together. We need to prioritize safety of crews. We had to do winter schedule to IS all summer so there was time to clean. There were 151 cases of COVID19 yesterday—we need to take this seriously. We are entrusted with safely transporting the public.

Bill Banks ask if the crew is cleaning for 2 hours and eating 30 minutes.

Kathy asks if everyone else is on regular schedules. Mark reiterates that IS has been on winter schedule since Feb.

Jon says they now have COVID on NH—puts a different light on things.

Sonny: they have a weekly covid19 meeting with town. Health people said their experience on the ferry is that staff is not wearing masks. This needs to be enforced for state employees.

Mark: at every FSAB meeting, he has asked FSAB to let us know who and when it is being observed when staff is not wearing masks.

Eva asks to stay on topic with SI schedule.

Kathy—was asked at the meeting if signs could be put on boats about wearing masks.

2. Ridership—Ridership reports were emailed to the Board ahead of the meeting (and are discussed later in the meeting.)

G) Vessel Status Report—Mark reviewed the report for the Board. The report will be sent with the draft minutes.

Spear update: launch date 1/29/21, latest delivery date 4/1/2021. There will likely be limited attendance with COVID protocols. Mark will communicate when there is a concrete launch date.

RFP for Libby replacement: Design work in beginning stages. 105' will accommodate 10 cars and similar capacity as we currently have. He will share design plans when received.

H) Island Specific Issues

1. Lyndsay: asks if the pen is complete at VH. Mark: pen is done, Thompson can now stay overnight. Waiting on small components but pretty much done. When we get Spear, we will make change—there will be internal discussions to determine if we can do it beforehand. Standby line was changed to first come first serve—is there a possibility of changing to 15 minutes instead of 30 minutes, even just during winter. Mark, Janet and I will discuss How many people will be allowed in cabin in the winter? Will we limit number of passengers? With engines off what will happen? Mark: cabin restrictions are in place, but we have square footage of cabins so we may be able to increase slightly but there will be a limit. How do we handle engines off in freezing temps? This should be a discussion before we get to 0 degree weather. Mark asks for a proposal—we cannot break law and allow engines on. We will ask passengers if they are staying in car or going in cabin..we need to limit number of passengers in cabins. If weather is prohibitive, walk on passengers may not be allowed on. Joanne will write procedures.

2. Jon says MSFS terminal crews should be recognized and appreciated for all they've during COVID.

3. Kathy—She heard that bathrooms are locked in BH. Joanne has spoken to Bob and he denies this.

4. Jon—says island and mainland terminal employees did great during the paving project in August. He wants a formal recognition for the Ferry Service. Mark says it would mean a lot, coming from the FSAB.

John moved that the Board unanimously agree to thank the MSFS crews, customer service representatives, line attendants, and all other MSFS employees for their fine work during these difficult times and their compliance with COVID-19 guidelines. It was agreed that this resolution would be circulated and published in the terminals, and, where appropriate, on the vessels to share with MSFS employees and customers.

Joanne will copy from notes and reach out to John for exact wording. Voted and approved. Bill and Mark appreciate this. Sonny suggests giving gift cards to crews and terminal for holiday gift.

I) Old Business

1. Hybrid Ferry Update—Mark: next boat* to go out to bid soon. Caterpillar is revising drawings for RFP and they should go out to bid end of January. Propulsion diesel mechanical with stored battery power: 2 main engines, 2 shaft generators = smaller engines which produce 250kw combined with 400 kw hours of stored power, which automatically switches between battery and power. Will reduce energy output 30-35%. Took cue from

Casco Bay, will be lots of public involvement to go through process. [AMENDMENT to the minutes per a vote at the 1/14/21 meeting: *The boat is the one after the Spear, to be in place in 2 years.]

2. Libby Replacement Update (earlier in meeting)
3. Spear Update (earlier in meeting)

12:38 break

12:44 resumed

J) New Business

1. Finance Subcommittee Recommendations (we discussed the ticketing system before this agenda item.) John discusses the report the subcommittee sent out previously. He mentions the disparity between ridership and revenue. Ridership is not down the way revenue is. He asks for Mike's input and mentions that, as Bill said, we were on target before COVID. He thinks it'd be good to take a look at schedules. Schedule was decreased 20% and ridership was down 15% but people saw full boats. He encourages walk on traffic and wants to revisit the commuter tickets. He had a hard time finding the information on the commuter tickets on the website. Joanne will look at this as well as run the current sales of commuter tickets. [NOTE: as of Nov 1, 121 commuter pass tickets have been sold since Sept 2019.] He asks if we can get more CARES money and if there are other groups that can help: Mark can provide information on Passenger Vessel Group. Bill-regarding commuter ticket, it's for people going back and forth to work. Is he proposing a frequent rider ticket, instead of commuter? John thinks it should be more user friendly/flexible.
2. Ticketing System update- Started in August 2019 to outline with OIT what is needed for online ticketing. We are looking to load out the boat by make/model. We are working side by side with Casco Bay who is also going through the process too. We have 7 departments involved to develop the RFP. We've put lots of time in and hope to put RFP out in next few weeks. John asks if there will be a mobile app. Mark says it will dynamically scale for smaller screens. An app might be an ability in the future. John asks if this will be integrated with easy pass. These will be a tiered approach. Kiosks are being considered. The system will incorporate ridership as tickets will be scanned. We will know how many tickets are sold but not yet used. We hope to have this in place by May.
3. Swan's Island Schedule (discussed earlier)
4. Frenchboro Gott Boat contract renewal (discussed earlier)
5. John-Commissioner's Response: He has received a response from the commissioner. There's been discussion between FSAB members about if they should respond. Board should consider this. Gabe got a response from Phil that it was a good idea but didn't hear from anyone else. John disagrees with much of what the Commissioner said, and he is not satisfied with the Department's response to his request for information. The staffing report is an example. Mark points out that the report was supplied ahead of time. Eva says anything can be added to the agenda. John says that 2 years ago he requested the staffing report and Department is just recently providing it. Department said they will not provide a capital expenditure report 15-20 years out. John says it's not satisfactory to only send a report that's 2 years out.

He says the board needs to speak up if they are not happy with the response as silence means they are ok with it.

John asks Bill Pulver to let the Commissioner know that the last report was not only authored by Phil. It was reviewed and revised by many and there was a process in place. Bill says commissioner is aware of that process and that Phil was not aware that we responded last time. Regarding a staffing report it was recommended 2 years go and we had responded, but it wasn't presented that way—we are responding to a claim that we are not responsive. Bill says we have a 3-year budget and a list of needs, but not a 15-year capital plan. He says the Commissioner's theme is that we are responsive, we do our best to respond, but things take time—he used the example of how many people are involved in the ticketing software.

John says some of the responses were not adequate and supports a meeting.

Eva says she doesn't remember historically long responses back and forth regarding the annual report. If we do a report next year, they present it and then it's done. Eva says she's lost track of where we are—there's too much back and forth. John agrees there's an excess but still thinks a meeting should be considered. He urges everyone to read the Finance Subcommittee minutes.

6. Mark—ridership (we missed this earlier in the meeting.) From March 28-yesterday, down 33% passengers, 13% vehicles. We've been down March – August, but were up in Sept and Oct. Reports were sent out earlier. He thinks that with Governor's orders and spike in COVID, we don't expect ridership to continue the uptick. He thinks people are choosing to stay in their vehicles instead of walking on.
7. Workplan: Workplans are public documents. Mark has a 17-year plan—it's a "wish list" but we use a 3-year work plan. John restates that most business have a long-term capital expenditure plan. Mark mentions the ferry replacement schedule out to 2030 which is the bulk of capital spending. This includes vessels and crew quarter expansions. His vision is to run a public ferry service on par with other services that use the latest technology. He can share his wish list, knowing there are a lot of variables.

Eva asks if there is any other new business. None.

K) Motion to adjourn. Meeting adjourned at 1:29 pm.

Next meetings via Zoom: Thursday January 14, 2021 at 10:30am