

A meeting of the Maine State Ferry Service Advisory Board was held at 10:30am on Thursday, July 9, 2020, via Zoom.

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

- B) Introduction of Visitors/List of Attendees:
 - Eva Murray, Matinicus, Chairperson
 - Bill Pulver, MDOT
 - Mike McKenna, MDOT
 - Mark Higgins, Manager MSFS
 - Joanne O'Shea, MSFS
 - Dennis Damon, Bass Harbor
 - Duncan Bond, Frenchboro
 - Phil Crossman, Vinalhaven
 - Jon Emerson, North Haven
 - Kathy Clark, Swan's Island
 - Sonny Sprague, Swan's Island
 - Lindsay Davis, Vinalhaven
 - Maggy Wilcox, Islesboro Island News
 - Donna Wiegler, Swan's Island
 - John King, Islesboro
 - Rick Lattimer, North Haven
 - Bill Banks, Swan's Island
 - Gary Farley, Swan's Island
 - Peter Wilcox, Islesboro

- C) Approval of Minutes from May 7, 2020-moved, seconded, no discussion or disagreement, all voted in favor, unanimously approved.

- D) Communications to the Board –
 - 1. Eva- Concern about crew members not wearing masks a month ago. Mark asks that people let him know if employees are not wearing them. Phil says that line attendants and crewmembers are not wearing them on Vinalhaven. Sonny says masks are not being used on the boat at Swans. Eva said she has seen them being worn. John says Islesboro crew is very compliant. Jon says North Haven crew and terminal agents are wearing them. Mark says this is upsetting to hear as we have communicated it almost on a daily basis and have addressed it multiple times with staff. He will follow up.
 - 2. Jon-Asked about handing out masks the public. Mark said late last week MSFS got approval to hand out disposal, individually wrapped masks by crew and agents to members of the public who have forgotten their own. MSFS got 1,000 masks to hand

out to customers. This is good customer service especially with new exec order yesterday.

3. Duncan-Asks about signage on doors at terminals. Mark states that signs are posted at all locations.
4. Lyndsay-Asks about cards being handed for Vinalhaven and North Haven islands. MSFS to ask Andy Dorr for more if needed.

E) Reports of the Board –

1. Phil has incorporated member's thoughts about the FSAB annual report. It will be sent to Commissioner soon.
2. In response to the annual report, Mark says that a third-party consultant, Segal Group, is conducting a state-wide study of income/wages. This is a public document. Mark will forward to the FSAB. [Below is information.]

The Classification and Compensation Project Steering Committee has announced that Maine State Government, in conjunction with the Maine Service Employees Association (MSEA), is conducting a comprehensive classification and compensation study.

The State has contracted with an experienced public sector advisory company — The Segal Group — to conduct this study which will take place over the next several months. The purpose of this study is to 1) ensure that your job titles, descriptions, and classifications accurately reflect work performed; 2) learn how State compensation compares to the market, knowing that consistent, competitive wages help attract and retain a diverse, highly qualified workforce; and 3) ensure that classifications with similar levels of responsibility are paid equitably across State Government. At the end of the review, Segal will provide the State with recommendations related to job classifications, job descriptions, and the pay program. This study will cover all Executive Branch positions, and all employees will have the opportunity to participate.

F) Reports of the Department

1. Financial Report—Mike McKenna presented a FY 2019 and FY2020 variance as of June 30, 2020. The report was included in the agenda email.

Highlights:

- Revenues

Farebox down \$260k, parking down \$34k. Contribution from Highway fund \$532k. \$2M grant from Federal Transit Authority. Total Operating Revenues up \$2.2M

- Expenses

Retro lump sum payment \$600k more than last year

Diesel down \$187K.

Repairs to equipment up \$630k

Revenues up \$2.2M
Expenses up \$1.5M
Cash in the bank \$650K

Dennis- clarifies that \$2m grant is revenue.

John- Finance sub-committee would like to discuss this at next meeting or get meeting scheduled so that Mike can get the financials to the FSAB so there is more time to digest the information. Mike says books do not close until mid-month. Jon suggests meetings be scheduled 2nd or 3rd week of month.

Dennis- asks about \$532k in highway fund more than last year. Mike says this was anticipated, but farebox and parking was not anticipated to be down.

John- asks if retro pay will be seen next year. Mike explains it was due to reclassification for Customer Service Reps and Captains. This started in 2015. There was a grievance that captains won, so there are 5 years of past wages that need to be paid. Payments to captains are about \$400k of this amount.

Eva- asks about reducing headcount by 10 per the draft FSAB annual report. FSAB agrees with max cost effectiveness, but Eva is not interested in anyone being downsized against their will. She doesn't want the report as interpreted as FSAB against a certain number of positions. John says the report was illustrative and refers to the 2010 business plan which refers to costs being reduced. FSAB wants no misunderstanding – they are not out to eliminate any jobs, but costs need to be reduced. Phil asks Eva to propose amended language if needed.

Phil- requests a motion to submit this report.

Bill—suggests re-wording the reduction of 10 employees and says there is an indication that there are 2 vacancies on board which needs clarification. There should be 3 mainland members. Currently the board has Dennis and Tom so there is one more position open. It would be good to get someone from the LV area/someone familiar with issues there. John is willing to contact Gabe to try to find a candidate for the commissioner's consideration.

Dennis (and others) commend Phil for writing the report, but there are concerns about "illustrative language" like reducing staff numbers. He says we need to be careful/take caution as FSAB members and he wants to table the motion of having report submitted.

Phil withdraws the motion.

Jon-states agreement with Dennis, saying Board needs to pay attention to roles of FSAB and finance sub- committee, which has the role of advising the FSAB board. He is uncomfortable with reduction of staff.

Eva- suggests some of the language in the draft report should stay internally and be edited down. She recommends reconvening and that she told the commissioner he would receive the report by July 15.

Jon- says the sub-committee should be in a micro role and that the annual report should be weeded down. He says the message should be that they, as an advisory board, have an important role in maximizing strategies and reducing costs (via commuter ticketing for example.)

Eva- says the board doesn't want to have mission creep, that the board should be helpful, give advice, lecture, but it is not the Board's job to take on issues outside of that role. Eva says they are volunteers and shouldn't devise strategies to run the MSFS or get beyond their responsibilities.

John- says if the Board isn't involved enough, he fears a new tariff because expenses will continue to go up and costs won't be reduced.

Phil- says they shouldn't tiptoe around their responsibility—they are obligated to make recommendations as FSAB. Phil makes a motion to remove some sentences from the report regarding staff reduction. The motion was seconded, all in favor, approved.

[He later sent an email (on 7/9/20) with this information:

"This is the language that was struck from the report:

If we could reduce head count by ten, for example, we could end up with savings in the range of \$750,000.00, when one takes benefits such as health and pension into account. Coupled with the roughly \$800K unfunded pension liability, those two items alone could save \$1.5 million per year"]

Eva-asks about voting on the report now, or is it not final? Phil suggests they further circulate it via email and not vote now...Eva asks if it even needs to be voted on. Phil says it does need a vote but can be done via email. They will aim for 7/15 deadline to get it to the Commissioner. Eva will record everyone's vote via email.

G) Vessel Status Report—included in agenda email.

1. Mark reviewed the report for the Board.

He stated that, regarding reduction in expenses, Wheelhouse will have great benefit. Having preventative maintenance (via Wheelhouse) will give us insight we didn't previously have. Real-time data feeds into the system, allowing users to manage expenses. \$1.9M on maintenance has been spent on our aged fleet. New construction and Wheelhouse will make a significant difference in expenses.

John- asks why repairs were up so much. Mark replies that it was due to accounting of Burgess expenses hitting the current FY budget, though the repairs occurred during the previous fiscal year, and there are 3 haul outs this year. The average is \$1.6m per year—the issue is the timing of when bills were paid.

H) Island Specific Issues

1. Eva- asks about putting a vehicle on the vessel without a driver on the Transporter.

Captain McNichol allows it, but not Transporter. She suggests that communication is improved ahead of time. Mark says MSFS allows driverless vehicles. No policies have been changed.

I) Old Business

1. Hybrid Ferry Update—Mark had a meeting on Tues 7/7 with naval architect and BAE—they are revising drawings and will have boat out to bid in November.

2. Libby Replacement Update-Mark also met on Tues 7/7. Quote from Gilbert and Assoc. for design. Design phase starts in next couple of months, and about 6 months to get this out to bid. It will be a 13-15 knot ferry so it can be used for gas runs and for overflow to other runs.
3. Spear Update—discussed previously
4. Wheelhouse PMS Update-- discussed previously

J) New Business

1. Ridership Numbers— included in agenda email
Kathy- asks if we are still on essential travel. Mark says MSFS is following Exec Orders. Kathy says there are day trippers—obvious tourists. Mark says exec orders are all online and that outdoor activities are being encouraged.

- Ridership Highlights:

Passenger Ridership State Fiscal Year

2017-495,000

2018-490,000 (-1%)

2019-454,000 (-7%)

2020-389,000 (-14%)

Vehicle Ridership State Fiscal Year

2017-189,000

2018-184,000 (-3%)

2019-168,000 (-9%)

2020-157,000 (-7%)

March 1 -June 30:

		2017	2018	2019	2020
All Routes	Vehicles (All)	62,223	58,579	56,577	41,171
	Annual %Δ Veh		-5.9%	-3.4%	-27.2%
	All Passengers	155,664	146,571	140,659	75,854
	Annual %Δ Psgr		-5.8%	-4.0%	-46.1%

Jan and Feb 2020 ridership was up over previous year.

July 1 – July 7:

		2016	2017	2018	2019	2020
All Routes	Vehicles (All)	4,168	4,497	4,207	4,370	3,739
	Annual %Δ Veh		7.9%	-6.4%	3.9%	-14.4%
	All Passengers	14,292	15,426	14,250	15,123	8,955
	Annual %Δ Psgr		7.9%	-7.6%	6.1%	-40.8%

2. MSFS Covid-19 Response Update—Mark states that MSFS is providing masks to the public, and will follow up with BH and VH concerns. MSFS will discuss new exec order and what enforcement will mean. Jon asks if MSFS is allowed to ask why someone is not wearing a mask—Mark says we cannot ask because there may be a medical condition, but we might be able to refuse passage if a customer says it's a hoax, or the like.
 3. Parking—Joanne stated that parking ticket fees for those “parked” in the lineup area in Rockland is now \$20, up from \$10. A new intercom is being installed in the Rockland parking lot and a new ticket system is expected to be in place early 2021 as the current one is already 2.5 years beyond the machine's average life span.
 4. Finance Subcommittee Recommendations-

John says they've had a discussion about their role in bringing issues to the full board. He submitted the report and says revenue and ridership are out of control due to pandemic. He discusses commuter tickets. He thinks they are restrictive, and he refers to number of commuter tickets that have been sold since last Oct. If they are not selling, board could ask MSFS for an extended expiration date on them. He also wants to learn more about funds going into MEPEs for issue from 1990s..he asked if current ticket rates are higher now because of this. Mark stated that the MSFS has 17 more years to pay this amortization schedule and he will forward information about it.

John also talks about 2010 business plan—it was sent to all FSAB members. John thinks it was definitive and that issues were not controversial. He thinks it's worthwhile for board members to review it because opinions may have changes since then for maximizing revenue and reducing expenses. John, Jon and Gabe will review it in further detail. Mark says as member of the Ferry Coalition, the Federal Highway Fund is increasing and that should help us. There is also a new grant bill for zero emission ferries which would help us with the hybrid ferry.

John asks about ferries receiving grants, will that reduce ticket prices? Conceptually, if a large grant is received, the Board should consider what that means in terms of fares. Mark gives the example of the \$180k grant for technology—that was used for Wheelhouse. Eva says it may not be the FSAB role to decide what is to be done with grants. John says FSAB could consider how they might be used.
 5. Frenchboro Schedule Request—Mark says he would like to support the summer schedule except there could be a grievance from crewmembers who are entitled to a 30 minute lunch break between 11:30am-1pm. Kathy asks about the previous schedule, why wasn't this an issue before? Mark says that the MSFS had been breaking the contract before and that the crew brought the issue up when the fall schedule started last year.
- Duncan-says he recommends that the MSFS return to the schedule that has been in place for 7 years for SI and FB. They want Thurs and Sun schedule changed. Kathy says maybe Sun schedule could start earlier to accommodate lunch hour. They are flexible on times. Eva says the change has impacted the phone company. Mark says he could send a proposed schedule change but that he would expect a grievance.
- Bill- states that the root of this issue was the continuation of the fall schedule through the winter, last fall. Despite the schedule being in place for many years, the contract had been broken. Bill says that labor contracts need to be evaluated when there is a boat schedule change and that Mark cannot make an amendment at this moment; a motion would just be advice/a recommendation. He said communities should not misunderstand. On the crew side, a 45-day notification might be necessitated by the contract.

A motion was made and there is a unanimous vote, asking the MSFS manager to look into revising the schedule.

John- asks about the Islesboro schedule. Mark says MSFS is sticking with 7 runs because there's not enough time to clean in between. John says last week a 6pm boat was run, due to the holiday. Mark says that if an extra run is necessary, we can do a one off.

K) Motion to adjourn. Meeting adjourned at 12:20pm.

Next meetings via Zoom: Thursday, September 17, 2020 at 10:30am.

DRAFT

July 8, 2020

MSFS Advisory Board Meeting

MV Everett Libby: No issues, available for all trips.

MV Governor Curtis: No issues, available for all trips. Will fill in for Thompson when Smith goes to Rockland Marine for USCG maintenance.

MV Charles Philbrook: No issues. Available for all trips

MV Neal Burgess: No issues, available for all trips.

MV Henry Lee: No issues, available for all trips.

MV Margaret Chase Smith: Will undergo USCG maintenance July 10, one day. MV Thompson will fill-in

MV E. Frank Thompson: No issues, available for all trips. Propeller successfully replace July 6 at RMC

New Build MV Richard L. Spear: Anticipated launch date Sept. 18th. Delivery to MSFS on or about Nov. 18th. Mark has pictures.

Wheelhouse Maintenance Program: Program has been rolled out to 4 of 7 vessels. Engineers on 2 vessels (Philbrook and Thompson) using program on daily basis. 2 spare vessels (Curtis and Libby) are maintained using Wheelhouse. Continued roll-out through Augusta with in-house training for all Capts. and Engineers by Ian Morris from Wheelhouse.

2020 SFY								
Island	< 20' Vehicles	> 20' Vehicles	20'-40' Trucks	40'-60' Trucks	> 60' Trucks	Motorcycles	Total Vehicles	Passengers
Frenchboro	1278	39	118	18	0	0	1453	4099
Islesboro	65955	1325	6293	265	24	132	73994	157052
Matinicus	202	17	62	4	0	0	285	695
North Haven	14384	385	1123	163	46	17	16118	45632
Swans Island	24353	410	1619	266	14	99	26761	57711
Vinalhaven	33483	317	3530	631	579	125	38665	124012
Grand Total	139655	2493	12745	1347	663	373	157276	389201

2019

Island	< 20' Vehicles	> 20' Vehicles	20'-40' Trucks	40'-60' Trucks	> 60' Trucks	Motorcycles	Total Vehicles	Passengers
Frenchboro	1350	84	154	7	0	0	1595	4656
Islesboro	65647	1092	6304	272	27	78	73420	180750
Matinicus	183	23	107	1	0	1	315	915
North Haven	17642	431	1307	202	66	30	19678	60913
Swans Island	27427	475	1872	211	41	121	30147	68684
Vinalhaven	38254	226	3462	675	456	117	43190	138163
Grand Total	150503	2331	13206	1368	590	347	168345	454081

2018

Island	< 20' Vehicles	> 20' Vehicles	20'-40' Trucks	40'-60' Trucks	> 60' Trucks	Motorcycles	Total Vehicles	Passengers
Frenchboro	1297	79	156	5	1	0	1538	5384
Islesboro	79414	1272	6979	325	58	114	88162	204021
Matinicus	223	19	76	7	0	1	326	524
North Haven	17884	349	1373	265	55	42	19968	61922
Swans Island	26805	588	1956	190	70	136	29745	70291
Vinalhaven	39309	300	3433	741	427	114	44324	147907
Grand Total	164932	2607	13973	1533	611	407	184063	490049

2017

Island	< 20' Vehicles	> 20' Vehicles	20'-40' Trucks	40'-60' Trucks	> 60' Trucks	Motorcycles	Total Vehicles	Passengers
Frenchboro	1414	79	137	2	0	0	1632	5521
Islesboro	80900	1126	6926	203	63	144	89362	201204
Matinicus	191	23	74	0	0	3	291	649
North Haven	18475	280	1364	270	78	14	20481	60694
Swans Island	27270	529	1897	212	42	106	30056	69272
Vinalhaven	41648	265	3899	841	461	158	47272	157877
Grand Total	169898	2302	14297	1528	644	425	189094	495217

March 1st to June 30th, CYs 2017-20

Island		2017	2018	2019	2020
Frenchboro	Vehicles (All)	458	429	512	395
	Annual %Δ Veh		-6.3%	19.3%	-22.9%
	All Passengers	1,501	1,385	1,348	762
	Annual %Δ Psgr		-7.7%	-2.7%	-43.5%
Islesboro	Vehicles (All)	29,303	27,446	25,230	19,409
	Annual %Δ Veh		-6.3%	-8.1%	-23.1%
	All Passengers	66,309	62,926	59,354	34,397
	Annual %Δ Psgr		-5.1%	-5.7%	-42.0%
Matinicus	Vehicles (All)	144	132	126	151
	Annual %Δ Veh		-8.3%	-4.5%	19.8%
	All Passengers	277	279	344	282
	Annual %Δ Psgr		0.7%	23.3%	-18.0%
North Haven	Vehicles (All)	7,005	6,564	6,546	4,496
	Annual %Δ Veh		-6.3%	-0.3%	-31.3%
	All Passengers	18,149	18,077	17,704	8,335
	Annual %Δ Psgr		-0.4%	-2.1%	-52.9%
Swans Island	Vehicles (All)	9,551	9,267	9,547	6,662
	Annual %Δ Veh		-3.0%	3.0%	-30.2%
	All Passengers	21,660	21,185	21,356	11,978
	Annual %Δ Psgr		-2.2%	0.8%	-43.9%
Vinalhaven	Vehicles (All)	15,762	14,741	14,616	10,058
	Annual %Δ Veh		-6.5%	-0.8%	-31.2%
	All Passengers	47,768	42,719	40,553	20,100
	Annual %Δ Psgr		-10.6%	-5.1%	-50.4%
All Routes	Vehicles (All)	62,223	58,579	56,577	41,171
	Annual %Δ Veh		-5.9%	-3.4%	-27.2%
	All Passengers	155,664	146,571	140,659	75,854
	Annual %Δ Psgr		-5.8%	-4.0%	-46.1%

Maine State Ferry Service Statistics

June 1st, CYs 2012-20

Date run:
7/1/2020

Island		2012	2013	2014	2015	2016	2017	2018	2019	2020
Frenchboro	Vehicles (All)	124	165	175	142	219	140	127	143	101
	Annual %Δ Veh		33.1%	6.1%	-18.9%	54.2%	-36.1%	-9.3%	12.6%	-29.4%
	All Passengers	356	389	404	496	570	568	521	466	204
	Annual %Δ Psgr		9.3%	3.9%	22.8%	14.9%	-0.4%	-8.3%	-10.6%	-56.2%
Islesboro	Vehicles (All)	9,551	9,379	9,341	9,888	6,683	9,628	7,991	8,247	7,065
	Annual %Δ Veh		-1.8%	-0.4%	5.9%	-32.4%	44.1%	-17.0%	3.2%	-14.3%
	All Passengers	21,440	21,025	22,364	21,604	18,315	22,620	18,636	19,445	12,924
	Annual %Δ Psgr		-1.9%	6.4%	-3.4%	-15.2%	23.5%	-17.6%	4.3%	-33.5%
Matinicus	Vehicles (All)	36	34	46	38	12	54	39	37	62
	Annual %Δ Veh		-5.6%	35.3%	-17.4%	-68.4%	350.0%	-27.8%	-5.1%	67.6%
	All Passengers	108	77	87	96	24	119	115	147	118
	Annual %Δ Psgr		-28.7%	13.0%	10.3%	-75.0%	395.8%	-3.4%	27.8%	-19.7%
North Haven	Vehicles (All)	1,942	2,014	2,062	1,988	2,021	2,059	1,797	1,929	1,707
	Annual %Δ Veh		3.7%	2.4%	-3.6%	1.7%	1.9%	-12.7%	7.3%	-11.5%
	All Passengers	6,389	5,991	6,148	6,295	6,167	6,213	5,968	6,435	3,436
	Annual %Δ Psgr		-6.2%	2.6%	2.4%	-2.0%	0.7%	-3.9%	7.8%	-46.6%
Swans Island	Vehicles (All)	2,750	2,863	2,882	3,019	3,072	2,963	2,915	2,970	2,227
	Annual %Δ Veh		4.1%	0.7%	4.8%	1.8%	-3.5%	-1.6%	1.9%	-25.0%
	All Passengers	6,890	6,746	7,218	7,158	7,142	7,112	6,933	6,894	4,150
	Annual %Δ Psgr		-2.1%	7.0%	-0.8%	-0.2%	-0.4%	-2.5%	-0.6%	-39.8%
Vinalhaven	Vehicles (All)	3,804	3,989	4,169	4,248	4,367	4,601	4,348	4,089	3,475
	Annual %Δ Veh		4.9%	4.5%	1.9%	2.8%	5.4%	-5.5%	-6.0%	-15.0%
	All Passengers	13,639	13,995	14,147	14,008	15,050	15,945	14,719	13,253	7,784
	Annual %Δ Psgr		2.6%	1.1%	-1.0%	7.4%	5.9%	-7.7%	-10.0%	-41.3%
All Routes	Vehicles (All)	18,207	18,444	18,675	19,323	16,374	19,445	17,217	17,415	14,637
	Annual %Δ Veh		1.3%	1.3%	3.5%	-15.3%	18.8%	-11.5%	1.2%	-16.0%
	All Passengers	48,822	48,223	50,368	49,657	47,268	52,577	46,892	46,640	28,616
	Annual %Δ Psgr		-1.2%	4.4%	-1.4%	-4.8%	11.2%	-10.8%	-0.5%	-38.6%

Maine State Ferry Service Statistics

July 1st - 7th, CYs 2016-20

Date run: 7/8/2020

Island		2016	2017	2018	2019	2020
Frenchboro	Vehicles (All)	56	41	44	46	41
	Annual %Δ Veh		-26.8%	7.3%	4.5%	-10.9%
	All Passengers	146	112	153	160	66
	Annual %Δ Psgr		-23.3%	36.6%	4.6%	-58.8%
Islesboro	Vehicles (All)	2,036	2,289	2,125	2,184	1,774
	Annual %Δ Veh		12.4%	-7.2%	2.8%	-18.8%
	All Passengers	5,268	6,158	5,333	5,578	3,806
	Annual %Δ Psgr		16.9%	-13.4%	4.6%	-31.8%
Matinicus	Vehicles (All)		12	14	3	
	Annual %Δ Veh			16.7%	-78.6%	
	All Passengers		25	50	24	
	Annual %Δ Psgr			100.0%	-52.0%	
North Haven	Vehicles (All)	377	452	392	414	397
	Annual %Δ Veh		19.9%	-13.3%	5.6%	-4.1%
	All Passengers	1,823	2,009	1,917	1,914	1,064
	Annual %Δ Psgr		10.2%	-4.6%	-0.2%	-44.4%
Swans Island	Vehicles (All)	768	731	732	785	611
	Annual %Δ Veh		-4.8%	0.1%	7.2%	-22.2%
	All Passengers	1,945	2,038	1,846	1,990	1,660
	Annual %Δ Psgr		4.8%	-9.4%	7.8%	-16.6%
Vinalhaven	Vehicles (All)	931	972	900	938	916
	Annual %Δ Veh		4.4%	-7.4%	4.2%	-2.3%
	All Passengers	5,110	5,084	4,951	5,457	2,359
	Annual %Δ Psgr		-0.5%	-2.6%	10.2%	-56.8%
All Routes	Vehicles (All)	4,168	4,497	4,207	4,370	3,739
	Annual %Δ Veh		7.9%	-6.4%	3.9%	-14.4%
	All Passengers	14,292	15,426	14,250	15,123	8,955
	Annual %Δ Psgr		7.9%	-7.6%	6.1%	-40.8%