

Maine State Ferry Advisory Board

Meeting Minutes- Draft

Thursday 7/18/24 10:30 AM via ZOOM

Jon Emerson- We will bring the meeting to order. A note the commissioner will be here today. As a reminder, people please mute yourselves, if you aren't actively talking.

1. **Roll Call**

DOT- Bill Geary, Derek Dostie, Henry McFerren, Bill Pulver, Matt Higgins, Bruce Van Note, Melissa Goocher.

Advisory- Eva Murray, Alan Barker, Jon Emerson, John King, Dennis Damon, Duncan Bond, Jamie Lane, Cathy Clark, Sonny Sprague, Jan Keiper.

2. **Introduction of Visitors**

Alex Zipparo, Representative Lydia Crafts, Phil Crossman, Bernadette Valley, Jonathan Brown, Frankie St. Amand, Peter Drury, Faye Grant, Greg White, Colins Parker, Peter Wilcox, Marjorie Straton.

3. **Approval of the Minutes**

Jon Emerson- So lets go ahead to Approval of the minutes. I assume everyone has read them.

Dennis Damon- Yes, I have read them. I want to comment on the taker of these notes. They were very comprehensive, and I liked that. Towards the end of them, however, there was something in regard to the upcoming USCG inspections. There was an update on the end with the vessels in construction, which was the referral to the Captain George Mitchell, which is still in pre-shipyard design. George Mitchell has had a very distinguished career, but I don't think he has ever had the title of Captain. I would suggest that for the minutes, that the captain be removed, and no other designation. With that I would move to acceptance of the minutes, as amended.

Jon Emerson- Is there a second?

Ducan Bond - Second

Jon Emerson- What is the proper name of the vessel, is in Senator George Mitchell?

Dennis Damon- I believe the way we left it, it would be named in honor of Senator Mitchell, but somebody from the Ferry Service or DOT, would contact the Senator, and ask what his preference was.

Bill Pulver- Ys, we did. And it was a full name, George J. Mitchell. I can't remember the rest, but it definitely wasn't Captain.

Jon Emerson- So it definitely wasn't captain.

Bill Pulver- No.

Jon Emerson- So the minutes have been approved? So a motion has been made and seconded?

Dennis Damon- As Amended.

Jon Emerson- As Amended... Is there any further discussion, from anyone in the room or zoom? Since I've heard nothing, all those in favor. Thank you everyone...

4. **Communications**

a) **To or by the Board**

Jon Emerson- I don't know of anything for the board, but I do know of the letter from MSEA U.

b) To or by the MSFS/MDOT

Bill Geary- I will, I received a letter from MSEA U.

Bill Pulver- Actually Bill, the letter was sent the Attorney General's office, who then forwarded the letter to us.

1. Letter from MSEA U

Bill Geary- So I am just going to highlight the letter, versus reading it word for word, so you get a sense of what was sent to the Attorney general's office. References the Statute by MSEA RCA 18/6 B – Privatization of agent services, that requires state agencies to follow certain agency procedures, before contacting and contracting, out of outside state service. References to what we talked about in the published Maine Public. Also talking about Van Note, and his approval for the \$750,000 hiring of 3 Ferry Captains, 1 Engineer, Ordinary Seaman, and 3 Able Bodied Seaman. Talks about four bullet points that must be done. States the department didn't engage in any of the steps and accordingly to the MSEA U requests, office of the Attorney General investigates the process.

Bill Pulver- So just to summarize it Bill, the state agencies service law the state agency is able to hire a company in lieu of state employees. So were not privatizing, were simply trying to supplement, the crews, from an agency that supply's maritime staffing. We have for many years used Maine Staffing, which is the staffing agency for the State of Maine. We've hired many people through them, sometimes, even a retiree. They've been unable to find the number of mariners we need, so that is why we went elsewhere. We sent a response to the Attorney General's office, about why, the issues we've been having, what we did, and why we did, With the employees out on medical leave, family leave and difficulties hiring, etc. A/B's and engineers, positions were still actively trying to hire, we'll interview every time we get candidates. We sent that letter and copied the President of the Union, and Bill sent it out the Ferry Service distribution list.

Bill Geary- Correct.

Bill Pulver- Does anyone have any additional questions?

Jon Emerson- I don't, but Dennis Damon does.

Dennis Damon- Thanks Bill, and I presume that's why members of the Union, are here today. But have you received back word from the A.G.s office yet, if regards to what you have done?

Bill Pulver- Not that I am aware of, my chief counsel is a part of the A.G. I talked to her yesterday, and nothing.

Dennis Damon- But essentially it is a question whether we (DOT) should be hiring non-union employees, particularly with the issue of going out of state.

Bill Pulver- There is nothing in the statute that say's if you're going to, in state or out of state. Privatize or not, we just need to expand the reach. I am not aware of anyone else. Bill how many have we used so far?

Bill Geary- 2- A/Bs, 1- O/S, and 1- Engineer.

Dennis Damon- And all this is to maintain a schedule.

Bill Geary- To run the boats and maintain a schedule. Specifically, it's been the Thompson, the second boat to Vinalhaven. On that ferry right now, I have two A/Bs

that are out on Family Medical Leave right now, and I only have a Captain and Engineer.

Dennis Damon- So you can't run with only that.

Bill Geary- No, I need a Captain, Engineer, 2- A/Bs, and O/S, for that boat to sail. Vinalhaven knows all too well what happens. They've had a lot of cancellations this year.

July 4th was coming up, and there's been so many cancellations, we've been, we were concerned about being able to crew the Thompson.

Derek Dostie- The month of July.

Bill Geary- The month of July- Probably.

Derek Dostie- This was to provide continued service to the vessels/ we actually have two members, that have come back this week, but we've had six members out on Family Medical Leave, and another 4-5 A/B vacancies. We'll go over this again under the manning section. But we also only have one Relief Captain Nick Bouvier at this time as well, no relief engineers, which means were at bare minimum crew. Kind of like we've mentioned, in the past, we are required by the USCG to have manning requirements. Without those requirements being met, we cannot operate, so this is in order to continue operations, and provide services. We're looking for, whether organically/ our people- guys have been putting in a bunch of hours (overtime), which you'll see in the financial reports. We also use Maine Staffing and our intermittent lists, and now additionally we have a contract with seaward.

Dennis Damon- Now I have one more question. Mr. Chairman, if I might. Now Bill, this might be a question for you, but if you say we don't have the particular crew we don't sail? It's not our rule, or that of the Ferry Service, it's a USCG rule. I just want to be clear on that, we must follow, we don't have any option. So I'll go back to Bill on this but what we're trying to do is staff the vessels, so we can sail, while keeping vessels crewed.

Bill Pulver- We've received letters, emails, and petitions among other things, about Vinalhaven taking the brunt. But Vinalhaven loses one boat while the other islands could potentially lose their only boat. Something's got to give, but with summer here, we needed to do something, to keep both boats going. This was our best option.

Jon Emerson- Has it improved, the solution?

Bill Geary- The Seaward Contract, Yes it has, significantly.

Bill Pulver- And like Derek, had said, it probably would've been most of July.

Derek Dostie- Oh Absolutely. And some of our members would be severely burned out. Since some have been working in their off weeks. It's been more than just the Seaward guys, plugging in. It's others that need one or two days off for medical appointments. Which means other crew is filling in for them, on their off time. And also the Matinicus runs. It's a thank you, for the workforce stepping in, because it's a voluntary outside of their normal shift/ schedule.

Jon Emerson- I would definitely like to hear the thoughts of everyone but lets have the board go first. You mentioned, Matinicus., with that. Will there be an issue with the new boat? And the second part, of that question, that boat could serve as an extra for the other islands? Is that going to be hard to fill the spots?

Derek Dostie- Theres two pieces to that I'll answer. Currently and it will continue to be a crewing challenge for Matinicus, because it's not permanently crewed. The

Libby isn't permanently crewed. So, we have to get crews in their off time, or others to get extra shifts.

Jon Emerson- So that's similar to what it has been?

Derek Dostie- That's right. And then for the Shay, we don't have the manning set up yet with the USCG, but we're applying for those positions so we can get those set and get the advertisements out for the jobs. We recently have advertised a job with a 100-Ton Master for that. Since its less than a 100- ton vessel. Then there's at least two more A/B spots, and an additional deckhand as well. Two crew crewing challenges are permanent crew for the Shay, if we can get there. And the other is for Libby, until the Shay takes over. Does that make sense?

Jon Emerson- Yes, sure. So is it Full-time?

Bill Geary- We're still working through, finalizing.

Derek Dostie- She's not certificated yet. And that is jumping ahead to my report.

Jon Emerson- Any more questions or comments, from the board?

Eva Murray- Yes, Jon thank you, for asking about the Shay. I'll be listening for more information, so I know what to tell people who ask me.

Bill Geary- So be before we open it up to the public, I'd like to add a couple extra notes, on this. With the Commissioners response to this, I'd like to add a couple pieces to this, that I think are important. Beyond stating were not privatizing the ferry service. This is supplemental, no one's jobs are being displaced, and this is a step to keep the ferry going. We've recently increased the starting step, for all our positions. A new captain's clarification, that Derek talked about. So, we've created a captain class 1, and a captain class 2, which is brand new. One is a 100-ton captains license, and then another is the 500-ton captains' license. So that is going to create more of a promotional opportunity for A/B's that we've never really had in place here at the Maine State Ferry Service before. There used to be a waiver that has since expired with the USCG. But now that there's a pathway to promotion which is an incentive for them to become a Captain, in addition there is ongoing discussion with BHR for additional recruitment and retention, with options of pay. We're currently working with them on that for the crew, as well. That takes a little more time, but we are doing those pieces in addition. It's not just Seaward Services, only, and that's the solution, it's not. We're looking at all the other pieces for our crew. We want our crews Maine State employees, be we had to use Seaward, to get us through a short-term measure, to get the boats running.

Jon Emmerson- I am more interested in the different Captains; you have a 100-ton and a 500-ton?

Derek Dostie- Correct.

Jon Emerson- So with the 100-ton, will you be qualified to run all the boats.

Bill Geary- No. We currently have three boats which we could do that, we have the Shay, Margaret Chase Smith, and the Spear.

Jon Emerson- So that's 100-ton, so the Burgess is bigger.

Bill Geary- From a gross-tonnage standpoint, yes.

Derek Dostie- Gross tonnage is a measure of the vessel, and it takes into account the number of certain spaces accessible or not accessible, by design. (**Gives a couple examples.**") A measurement of the USCG rules not of the vessels.

Jon Emerson- And on the incentive pay, it seems like that was tried maybe a couple years ago. For a year or so. Hopefully it'll be more helpful to some going forward.

Dennis Damon- Just a quick question Bill. I commend you for creating an avenue for deckhands to grow within the organization. Is training and all that being taken into consideration?

Bill Geary- Yes, so we have a contract with Maine Maritime Academy, so that has gone through. We can do supplemental training for upgrading licenses, through Maine Maritime Academy.

Derek Dostie- So if a person chooses to go outside of that, we do still do reimbursements for credentials. So, there's no way to get a 500-Ton Masters directly from A/B. But if you have your 100-Ton Master, you can get sea time towards your 500-ton. So that is how that works.

Dennis Damon- So is it a combination of wheelhouse time?

Derek Dostie- It's both. Sea time that includes duties in the wheelhouse, there is a lot of rules and requirements for it, but has to be in the position of responsibility on vessels more than 100- gross tons. Example, if you're trying to go to 1600- ton, all your recorded time has to be on a 500-ton vessel, with recency of working 90 days in the last 3 years, with the USCG. A lot of aspects that go into your license. This is a steppingstone that we didn't have before. That gives a gateway of someone that wants to stay in the Maine State Ferry Service, and work their way up, they don't have to go elsewhere to do it.

Dennis Damon- Just as a comment, talking to a lot of personnel, I comment you for that, for the perspective of the Maine State Ferry Service. The problems with that and hiring the deck hand positions, are kind of perceived as dead-end jobs, even though the pay is reasonable, and the benefits seem reasonable. But if this works, I think it'll be fairly beneficial.

Derek Dostie- Thank you, but I can't take the credit though. There are other folks in the room that gave us the opportunity. But thank you.

Jon Emerson- Any other comments or questions from the advisors around the table or zoom? No, it's just Peter that had something.

Peter Drury- Yeah if I may, It was alluded to eliminating intermittent employees, and were wondering in light of the shortage of personnel, there was going to be a change in that. Employees you use on a temporary basis, unlike Seaward. They are state employees, not covered under the Union contract. Another avenue, and I am just curious of the department's thoughts.

Bill Geary- I don't recall stating, were eliminating or reducing the intermittent. We haven't don't that.

Peter Drury- You didn't, Bill Pulver did.

Bill Pulver- Well we stated, I don't know if it was me, but what we did state was we weren't eliminating certain positions, we still have many intermittent positions. The nature of the intermittent positions so we can call them if they don't have the time. There's no requirement whatsoever, they can say no if they're too busy. We can't make them work, it's strictly on a volunteer basis. Whereas Seaward services, we say come and they come.

So I think the comment was, we were moving away from the intermittent being the solution, and we've added more Fulltime positions, that are relief, so we can move them around easier. So instead of relying on people in intermittent positions, with only a certain number of hours budgeted, where very few often show up. Wasn't that we were getting rid of them, just moving away.

Derek Dostie- Correct, and not a single spot has been eliminated, we still have a full list of intermittent. We still regularly keep in contact with them. We have a few that work for us, available and a few that are not.

Jon Emerson- Are they not available for a month at a time?

Derek Dostie- Each person is different, some are sailing, some have other jobs/ activities, but only available on weekends. Some prefer certain runs, it's a lot of intricate ties that pertain to the intermittent list. So I have their schedule and they keep in touch when they're back. If they're able to take a position, for a few days, they do. We have a few, in the last several weeks, do so. But that's the most since the fall I have had.

Bill Pulver- If we do get people interested in working in the areas, we need them in, we send them to Maine Staffing.

Jon Emerson- Fay, I think you had your hand up?

Faye- I'd like to piggy-back about the intermittent, are they being called? Are there retirees willing to work, being called, to fill in. I just don't understand why you wouldn't call people. I just don't understand why you wouldn't call people on the schedule to come in and work. I just know that when Dan had the job, he had a list of people, he could call at the last minute. I am not sure how it works now, or the new manager, be advised but the weekends. Is the new people from Indiana not working weekends? I was also asked that question.

Derek Dostie- People from Indiana? I don't know, oh the people from Seaward Services? They've been working weekends.

Faye- Let's say I was over here, and there was no Thompson, yet I know there's captains and A/B's that weren't called in. Is it possible, to call intermittent in last minute.

Derek Dostie- The intermittents are called. We also have Maine Staffing, another group that is called, as well as our own employees, that we call. I don't want to get into the nitty gritty of that. But I do send out blanket emails and have copies of the lists Dan had. There's been a few times where someone said they were unavailable and when I called them back, they weren't available. As well as we've had several employees, through Maine Staffing, step up and help a bunch as well.

Faye- Thank you.

Bill Pulver- Bill could you address this whole Indiana thing. The company were using is based there. But you explain a little more what you know.

Bill Geary- Yes, so Seaward Services, is a contract company that does contracts for multiple agencies. They do it for other state ferry's as well, not just us. And that's how we heard about them, they also work for a bigger company called Hornblower as well. They have professional mariners that work for them and have a pool they pull from. And when these mariners get called, they have to go, and they come from all over. Like the four individuals, have come from all over, one of them, the engineer was just doing a stint in Africa, before coming here. So that's kind of how Seaward Services works. They get their Full-time from that company, salary, benefits, etc. They're just contracted through Seaward, now their doing a stint with us.

Jon Emerson- Peter?

Peter Drury- Just curious to see where Seaward comes from, does the state reimburse their travel? Or is Seaward responsible for it.

Bill Geary- Its apart of their contract, that we are paying for their travel.

Jon Emerson- I can't recognize your name.

Frankie- Yes, my name is Frankie. First a comment and clarification. Can everyone hear me?

I am a MSEA Rep, a comment and then a clarifying question, in regard to the response to the letter from the Department of Transportation, for the Attorney Generals Letter. They noted there was no attempt to privatize the ferry service. I watch the ferry service job postings regularly online, I note on 06/26 there were 7 state positions posted, three days ago there were 3, and today there was only 1 Able Bodied Relief position posted. Not a single full-time mariner position posted. However, these are state jobs, and the state has consistently used Maine Staffing to fill in for crewing needs. However yesterday there was one Full-time Able-Bodied seaman position posted, and with this it is the concern to the state employees who work under a union contract. As well as it's a concern to taxpayers, whose dollars are going out of state, to temporary positions. As per Peter mentioned, there's not only the cost of transportation that has to be covered, but the \$500 management fee assessed a day, a 15% over a cost for an Able- Bodies Seaman, and a \$595, through Seaward Services, gets the rest. Our employees see the \$350 a day for simply working, the smart choice would be to offer stipends or raise wages that are 15% under that of the private sector counterparts. In order to create Full-Time positions, that are here in Maine state positions. So I just want to make sure everyone has the information, when we're talking about these jobs, they aren't posted. And the Follow-up question, "What is the department trying to do to address this, situation, and staffing crisis certainly its complicated, and we recognize that. And that the starting salaries, included in the 3% raise, which was implemented on July 1st, pay period."

Bill Geary- Lets go back to your first point. You raised a lot of different things. Matt do you want to answer her? Regarding why positions closed?

Matt Higgins- Yes, because they're posted for a 14-day period, fortunately we've had a number of applicants apply for this job, and were scheduling their interviews. We anticipate and possibly hiring for all three positions. The one that is continuedly posted is the Able-Seaman position, for the past 3 months, and we interview as applications come in.

Jon Emerson- It's a little hard to hear.

Derek Dostie- So it's a bit of a process, going through applications, and credentials and making sure they're a viable candidate, then to offer interviews, and make job offers. If we can't hire, we have to readvertise, those positions.

Frankie- Can you explain why the department, doesn't send to Maine Staffing, then, when there's these positions.

Derek Dostie- We only send to Maine Staffing, when those, that don't want full time work, what these employees want to help out the Maine State Ferry Service.

Frankie- And then I do watch the posting regularly, and do our employees, they are very rarely full-time positions posted with the state.

Bill Pulver- That's not true, and you can see with the A/B posting, and you look down there may be one posting, and it say's filling multiple positions. If we had (5) qualified A/B's walk through our door tomorrow, we'd still have to go through the process. This isn't a privation.

Also, this whole thing about paying for this \$500 and something a day for A/B's. You also have to be aware of the fully burdened rate we pay for our full-time employees.

Derek Dostie- Right Full benefits package, transparency, medical, dental vision, and retirement benefits, are all calculated into a person's pay. and that's being paid to Seaward, just like we pay for our people.

Bill Pulver- And there's no question, this is expensive, and that's why we want to hire internal employees. This is a temporary thing, not privatization.

Bill Geary- So the step 8, is particularly at the captain position. All Captains in the positions are starting at top step. All positions, including captains are at step 8. Step 9 will happen next month. Before Captains were at step 4, so for the five captains that were here, were able to move from step 4 to step 8. So that would've been four years, they would've needed an annual review, to get that. And now they just got that last month. Same with deckhands, they weren't at step 8 either, and now deckhands are at step 8.

Jon Emerson- There was a similar strategy used previously last winter in the ticket offices.

Bill Geary- Yes.

Jon Emerson- That is good that this is now being used across the board.

Derek Dostie- Does that answer the question about the 3%.

Frankie- I think it does, I think he was referring to the union negotiated raises.

Derek Dostie- No, so the 3% and the step 9 are separate. What we're referring to, is we were recently given authorization to hire in a higher step level. So currently they were given step 4 and now its step 8. And the already hired captains were given retro pay to step 8. So it saved them a four years of longevity to earn that. So that was the small piece for pay. which will help with hiring, by employees coming in at a higher starting salary. And we also have a Step 9 added as well.

Frankie- Thank you, for the explanation of that. Has the department considered the letter the employees have sent to the commissioner which he hasn't responded to. Has the department considered raising the base- pay for employees to hire and retain more employees. Rather than invest in these expensive contracts. You can assume the answer is, 'Yes'.

Bruce Van Note- The department has considered a range of options, yes.

Frankie- Would the department be willing to speak with workers about this? I know there's great concern among them. I they've reached out with great interest and have communicated it.

Bruce Van Note- As you've seen from all the steps today, we're trying to do stuff. I am willing to sit-down. I'd like to get a little action on my end first and get that moving first and show some results. I do understand the staffing margins are just way too thin. Someone calls out, the boat can't go. We just can't have it. If we didn't take those contracts, I guarantee we'd be having a very different meeting instead of talking about how or why. If the second boat to Vinalhaven was cancelled for the month of July.

Frankie- Did you hear last month although there were cancelations the staff came together to staff them.

Bruce Van Note- Yes, its not our first choice, or our end game.

Fay Grant: Can I follow up with a question. If we've got an engineer, that's willing to work as A/B, does he get the A/B pay, or engineer pay, as his license or titled role go. If a captain retires and wants to come back, does he get A/B pay or Captain pay.

Bill Pulver- Just to clarify, are you talking about Maine Staffing employees that are State retired?

Faye Grant - Let's just say Derek was desperate and he called someone. If he calls someone, that he calls someone that has a license for captain but isn't going to be working as captain.

Bill Geary- We just can't call anyone in that has a license.

Faye Grant - I am aware, but we're desperate here.

Derek Dostie- I don't know if this will answer your question, but we have captains that have worked as A/Bs internally. We also have other captains, that won't work as A/B's. I appreciate those that have helped me. Like the other day, we had 3 Captains and an Engineer, for the Matinicus trip the other day.

Faye Grant- So do they get captain pay when they step in?

Derek Dostie- Yes, they do, all get captain pay, if a captain.

Bill Geary- Yes, even if they're working as A/B they get captains pay.

Derek Dostie- Whereas if its Maine Staffing, they have to file their days separately. So pending what they're working will determine their pay. I am not exactly sure what the rates are.

Faye Grant- Ok thank you for the answer.

Representative Crafts- I have a couple of questions. You said 9 out of 10 offers were rejected, do you have any cause or trends as far as that goes?

Derek Dostie-I have gotten a lot of those answers, and I know Bill has too. So we've made a lot of offers, the three categories are usually, Pay, local housing, and schedules.

Henry McFerren- Some of the other smaller reasons I heard at a town meeting, not wanting to submit to a drug test, or that the position was in Maine.

Representative Crafts- How long are the contracts for those with Seaward and how long are their stints?

Bill Geary- Extended with Seaward till the end of August. Our contract right now is for \$250,000, were hopeful we'll be able to hire, and get more state employees, so we can staff our boats with employees. And move away from Seaward at some point. We're also looking at another contract with Seaward to use them maybe a little bit longer.

Bill Pulver - And when Seaward employees come its typically for a month at a time.

Bill Geary- It's the cost of the flight that the longer their stay here the better, because were not paying so much for that travel. And when we can, we try to have them scheduled so they can utilize our crew housing. Just trying to be fiscally responsible.

Representative Crafts- Was that a three-month contract through the month of August?

Bill Pulver- Through December.

Representative Cra-Ok. Thank you.

Derek Dostie- Theres a little bit of lead time to get folks here, so we look ahead. They just can't fly in, with two days' notice, from now. We try to plan to have these workers two to three weeks ahead of when they're needed on the vessel. With the questions I've had internally with getting coverage for requests, by Seaward, but I do try to move people around when possible.

Jon Emerson- Anything more on that? I have heard from anyone else... Ok, thank you, I appreciate all the comments. I don't think we covered point # 2 yet.

2. Letter from Crew to Commissioner

Bill Geary- Well we did, briefly cover. Nope that is a no. So I'll briefly cover this, so this was sent to the Commissioner Bruce Van Note. It was sent from one of our crew members, requesting a meeting with Frankie from MSEA, the basis of this letter has to do with Seaward.

Again, paraphrasing it and not going over the entire thing, but in general. That the use of taxpayer dollars to support out of state workers is short-sighted, and irresponsible.

Pay us working employees a living wage rather than paying a staffing agency, to cover up our problems. Again, we call on you too stop sending our Union jobs to out of state employees. This letter was signed by 33 employees, 5 captains, 2 engineers, 10 A/Bs, and 2 terminal supervisors.

Bill Pulver- And their names.

Bill Geary- Yes, and their names were on the email. Again, I think its important to note that, we're trying to keep the ferry's running. That's what we've tried to do with Seaward. I did send out Commissioner Van Notes letter out to all the employees/ crew members on Friday. On what the explanation was. This email came out Monday.

Jon Emerson- This past Monday?

Bill Geary- No this was back on July 1st.

Jon Emerson- If that's satisfactory, lets move on to the letter from the select board to the governor.

3. Letter from Select Board to Governor

Bill Geary- So on July 11th, the select board and advisory board members and subsequently the Islesboro members sent a letter basically the same, but slightly different, to Governor Mills, copying me and the commissioner, basically asking the Governor to become personally involved with the Maine State Ferry Service. And there was two main asks to that; first, was to find a solution to the pay problem, and second is to talk to the leaders of the USCG, about licensing and temporary waivers. So that letter has been received.

Jon Emerson- That was from the North Haven select board, I believe, all the advisors from all the islands, except Islesboro, signed that. And there was one from Islesboro slightly different.

John King- Just to clarify, that I attended a select board meeting in Islesboro a few weeks ago, and they agreed, that the letter that had been crafted, and was in general circulation of other islands. There was some concern with Islesboro, that the disconcert, especially that of the pay disparity issue. Perhaps we didn't know enough, and Bill Pulver can't comment on this as were comparing apples to apples or apples to oranges. There was some concern so that Islesboro added something additional in the third paragraph that said, *'We would like to see this resolved in a barrent equitable way, to retain, and attract new workers, and existing staff'*. So basically, in addition to that sentence, Islesboro basically agreed to what was already circulating. Just so everybody knows where they were coming from.

Bruce Van Note- With the tow issues raised, what's the likelihood that the USCG waivers will be approved?

Bill Geary- Very small, but I wasn't here, during Covid, there was quite a few waivers given to the Maine State Ferry Service to keep the ferry's running. When I came in, I asked for only one waiver, for one trip from the local USCG, I was given

that waiver, but told that was a one-time thing, and not to ask again. That time has come and past.

Jon Emerson- What was that waiver for?

Bill Geary- It was to sail short, one A/B, I called to make sure the captain was comfortable with it. It was a Vinalhaven trip, and they granted me that. But I was told that pretty much that was my one and only waiver, for that one trip.

Derek Dostie- There was a procedure, and a process contained in the 46 CFR, I think it's in Part 15, in the USCG Marine Safety Manual, that governs sailing short. Its pretty restrictive and up to the local OCMI Basically, and that these requests can only be for extreme safety reasons. The ability to fight fires, abandon ship, and control the vessel for safe navigation, and such. So they're less inclined to allow a vessel to sail short due to staffing shortages. Usually on a deep draft vessel its because someone is sick and has too be flown off due to a medical reason. So with that waiver they can continue their voyage, one trip but its only due to extreme reasons.

Jon Emerson- Any other questions?

Bruce Van Note- Just the other issue we've talk about, getting more people with additional incentives. We're on it and working on it. Workers of respective of Union, well what you are doing, tell us everything you can. That's not how this process works. There is conversations I know that'll be happening, with the head of the state management, and union. I understand the lack of communication, don't take that as lack of effort. Letters to the Governor and concerns from and MSFS workers, that this is not on our radar and were working on it. I can tell you per capita, that these island residents are getting more attention than any other residents in the state. I can tell you that for a fact, far more than half of Bill Pulver's time as COO is on the ferry service. Theres nothing that has been said at this table that I didn't already know about. All I can say is we're doing everything we can to make sure we can run the boats and do so over the long term. Just wanted to reiterate that.

Jon Emerson- Thank you.

Dennis Damon- I just have one comment/ question, to the commissioner. Its been my understanding, that you've known and been aware of what's going on for quite some time and have appraised the Governor. That there will be meetings, and I am pleased to know that your going that route, with the Union, HR and the State. I appreciate the effort, and think, that's the only way we'll get to come to some sort of resolution.

Bruce Van Note- That's what we try to do anyway, but as far as Frankie or anyone else can tell you. So just to say what was being said, about the 3% and the Step 9, We're trying to have a proposal, DOT is always trying to do the math, and get it done. We need something.

The last thing for this board is we announced, the new rates, that have been in the works for a long time, due to go into effect on August 1st. You know that all of stuff that we are doing isn't free. Whether is the pay incentives for workers, which we support, or the contract workers., which we support to keep the boats running, that's not free. So the rates do include the negotiated increases, but don't included what's going on now, This board knows that we want to have rates every four years and predict the costs. And this fall we're going to have to have this talk again. Hopefully once we get more people we can ease up on more contracting. However, with all the herculean efforts and someone calls out sick, we don't want to cancel the boat. I have

found out that the communities are not satisfied unless there's a 100% reliability on the runs. Airlines don't do that, no one else does that. We must put things in place to make that allows that to happen, and sometimes that means having an extra AB. We are working on these things because we know that you want increased reliability but remember these changes aren't going to be free. We don't know exactly how much yet, because of the pay and incentives, hopefully we'll know the status of that in a couple of weeks and in a couple of months certainly. Then we will have to start another discussion regarding fares, which we all would rather not do.

Jon Emerson- I have a question, I assume when the boats don't run, the crew members are still paid.

Derek Dostie/Bill Geary- Yes...

Bill Geary- Before we go to the public, we have a board member that is raising her hand.

Jan Keiper- Thank you. Frenchboro is signing onto the letter with its advisors and select members. I just want to say thank you to you all, its been really helpful today, too hear the amount of effort that is going into the ferry service. I hope everyone understands the letter, wasn't intended, yes islanders get a little uppity about their ferry's getting canceled, but we certainly understand the complexity and how hard you are working. Thank you for all you're hard work. We see how hard everyone is working. Derek, thank you for all the time you spend tracking down people to keep these boats running.

Eva Murray- I ditto what Jan said. I want to make sure that those of us understand the complications of the MSFS. We are obligated to convey the islander concerns, who are often impatient and can say, there, there dear, just be patient, they are working on it. We will be replaced by somebody who is grouchier than us. So sometimes it a don't shoot the messenger.

Bruce Van Note.- If I may John, no one is shooting the messenger. I fully expect to hear about it, just don't know in what form. It is your right and your expectation to advocate for your people. I get it.

Jon Emerson- I think someone else had a question?

Representative Valley- Yes, I did. Just had a question about the connection between rates and staffing the ferry. I am wondering the philosophy of the MDOT when I see what the ferry rates are. I'm thinking about those people from Portland to Augusta, and we don't expect them to pay the full cost of the highway, the entire state of Maine bears that cost. But I've heard increasingly in conversations that it is island people that should bear the full cost of these, instead of seeing the ferry service as part of the highway system of the state of Maine. I am concerned that if the rates go up and up may make living on island less tenable and wondering if you can speak to that.

Bruce Van Note- Of I can speak to that and appreciate your question. The highway is provided, no one is providing the vehicle, or the gas. 100% of the capital costs of the MSFS, 0% by the ones riding it or the island communities Those include the boats, the terminals, , in total that is 100 million dollars. That is higher than normal because we are investing in so many boats right now. But it is very significant and there is 0 cost to that, just like there is 0 cost on the turnpike. The operational cost is 50% provided by the state. I don't know of another group that does that. No, I do, there is a subsidy on the Downeaster train, up to 50% and there are subsidies on various transit services. So, it is not out of balance, what is out of balance is the cost

per unit. That is largely driven by the freight and automobiles. If you had a passenger only ferry, just like passenger only busses, or passenger only planes, or passenger only trains, the costs would be dramatically less. We understand for all the reasons that we are not arguing with, the expectation on island life to bring a 3-to-8-thousand-pound vehicle over the ocean and that makes it a very expensive proposition. There has been a subsidy for a long time on 50% but these costs are escalating. The statute says up to 50%, we have max'd that and gone above that. The state stepped up to cover the difference, we are not supposed to, but we had to keep the boats running. So that is the philosophy, it is state statute, state law and consistent with other transportation modes. The thing that makes it so expensive is vehicles. Which is why we went back and forth a little bit on the rates, and I said shouldn't we be charging more for the thing that is making it so expensive? Change is hard and we had a good debate, and we scaled way back and come to this. People have baked into their life, certain subsidies. So that is philosophy, and we will continue that unless something is passed.

Jon Emerson- Something quick....

Faye Grant - Commercial vehicles are astronomical, that is our groceries and getting the perishables on and off the island. They take up three spaces, on the boat. Is there anyway we can get that cost down commissioner. When you first came in we begged you to not reduce the bicycle rates. The safety on those roads which are state, some of them, there are no safety, that are at their own peril. Is there any way we can put those rates up?

Bruce Van Note – I didn't know we were doing a new rate hearing. I can go through every single line you can see here but out of the consideration of time. On the freight, if you had to get that out there. But if you had to get that freight out without the subsidy, and the \$100 million capital costs, those rates would be quadrupled.... These rates a fraction of what they could be. Some people ask about the staffing differences say to Casco Bay, that is due to the freight and vehicles. Here is one way I can put it, as long as I am commissioner, I am not looking to reduce rates on the freight.

Faye Grant – Well that isn't nice of you.

Bruce Van Note – Well you asked the question and I'm trying to be straight forward and give the same answer to the advisory board. The same goes for bicycles. You asked to increase those, they cost as much as a vehicle. It has not reflection on the cost of the service. It is way to drive the bicycles off the island. Some people say that where should be other modes on the islands and have less reliability on the vehicles going back and forth.

c) **Legislative Review**

Jon Emerson- Unless there's anything else pressing let's have a quick update on legislative review.

Bill Pulver- I don't have anything to add.

5. **Reports of the Board**

Jon Emerson- Anyone have anything?

Dennis Damon- I don't know of anything.

6. **Reports of the Ferry Service**

a) **Ridership**

Bill Geary- I can share these reports out later and try to keep this somewhat brief. Looking at Rocket Rez data year to year, this and the past year. Overall, there is 1.9% and over 257,000 passengers increase from last year. 167,000 island specific. Frenchboro was up 6%, Islesboro up 1.92%, Lincolnville was up 4.2%, Matinicus was up 28%, North Haven 3.8%. Fiscal year May 1st to July 15th, compared to 0.4%, was 3.2% down and 1% overall island specific, Bass Harbor was down 4%, Frenchboro was up 8.75%, Islesboro up 4.4%, Lincolnville up 2.5%, Matinicus down 6%, North Haven down 1.1%, Swans Island down. 473%, Vinalhaven down 7.93%.

Jon Emerson- Is that from May 1st to July 15th for this year and last year.

Bill Geary-That is correct.

Alan Barker- Can I interject? That the big decrease for Rockland and Vinalhaven, that must include the cancellations.

Bill Geary- Correct.

Alan Barker- So its more because of the cancellations, not because the island is having slight off days. So to speak. And probably Matinicus because they've had a few of there trips cancelled to.

Jon Emerson- Reduced demand? Reduced availability for the boat

b) **Vessel Status Report**

Derek Dostie- I'll take care of that... (insert from Vessel Status print out)

John Brown - I am from MSEAU, this might be going back. Curious if DOT – has any informational data on the economical impact of the ferry cancellations. DO people choose not to visit, due to the critical nature of the cancellations.

Jon Emerson- I don't know what the status is... But I think it varies depending on island. Vinalhaven is the most, Islesboro next, and then North Haven final. Philbrook has done a good job, I don't think many have noticed.

Bruce Van Note-We do not have a specific Economic study yet.. But we do take notice, with the administrative impacts.

Alan Barker- I have an economic comment, with the problem out of Vinalhaven. Whether people were to avoid. Recently with one of the cancellations and the lack of communication, about that cancellation I had received calls about frustrated visitors, having to pay extra to get home.

Eva Murray- I have a Status Report Question, Mr. Dostie, what would you like me to tell people asking questions about the Charles Norman Shay, what can I quote you in saying.

Derek Dostie- So we've received the vessel, but there's still a lot of items with it that need to be addressed. Theres the final vessel delivery list, and were going over that list, items that weren't completed to the satisfaction of us. So we're going through not in requirements, etc. A bunch of stuff the USCG COI process.

Has to confirm, with local as well as federal, and the manning requirements. Theres a lot of moving pieces. Do so is to keep our current vessels running.

Eva Murray- Thank you.

Bill Geary- Meeting next week, and planning on doing the commissioning ceremony. We should have that date next week.

Bruce Van Note- A big part of my job is taking technical part along with the administrative items, anticipated to be done by the end of August.

Eva Murray- No, I completely understand. I was just hoping to rattle through that more articulate way of saying that. I'd appreciate some notice for the commissioning ceremony.

Bill Geary- Another note on the Dinsmore, with the fire suppression system being approved by the USCG, the new timeline and vessel will be here, and will be off the rails the first week in September. Al and his grandkids will be there for the christening, in Rhode Island. We'll let everyone know as soon as we know. Currently the projected delivery date is December 18, 2024, and that's not the operational date.

c) Staffing Report

Matt Higgins-Ok, as the HR Manager for the Ferry Service, I can do that. Recently we've had a lot of advertisements close recently.

* (1) Assistant Port Engineer Position- Interviews are scheduled for next week, waiting to hear back from applicant.

* (2) Captain Positions- for relief spots, waiting to hear back from applicants.

* (2) Engineer Positions- relief and intermittent. Multiple applicants for both, will be scheduling interviews next week.

* Able Seaman- which is a continues posting, we have an interview scheduled for next week also.

* Since our meeting in June we've done some interviews for the Ordinary Seaman, and the person who was selected will be starting in late July, early August waiting on confirmation.

* Deckhand position- recently interviewed, unfortunately all selected applicants were unable so had to repost.

* North Haven Customer Service Representative- intermittent position, no one was interested so had to repost.

* HR Specialist- Interviewing will start in two weeks.

That is all I have.

d) Financial Subcommittee Report

Jon Emerson- We'll go to financials then, the Subcommittee...

Melissa Goocher- Yes, and I can make any comments after that.

Dennis Damon- Got the report on Monday, and it made its circulation, as quickly as I could.

If you look at the Variance Report, on the revenue side, you look at the bottom line, Total operating revenue shows 102%. The real thing that needs to be looked at is the subtotal, the fare box total that came in at 90%, the reason we got to 102% is because Bruce or somebody with a donation of almost a \$1 million bucks into the state subsidy. It sounds good, but it's not the \$750,000 loss.

Indicated that this might impact the budgets, which may cause concern. And what's causing the timeline for rate issues.

Issue is what's causing that, the service interruption. More and more is possibly the Margaret Chase Smith, which runs 9 round trips a day as oppose to the others that run an average of 3 round trips a day. That's a substantial dividend in revenue. Hopefully it won't be a continues problem.

On the expense side we're at 5% over projections, the analysis is over that. When we were standing here last time we were at \$1.7 million for repairs. That's probably going to go up, because the Maggie had been on the dry dock, for so long. Sure enough the \$2.9 million, hopefully this will be a one-off event.

Diesel \$1.7 million is well under the \$2.2 million budgeted, but how long will that last. Mysterious thing the 5% under the \$1.6 million that comes out at \$1 million, and we don't get that. It looks good, but what is the long term.

Expenses and revenue side...

Premium overtime is up, again, as the unfunded liability, at \$1 million.

Professional services is up over \$400,000 but budgeted at \$0.

Technology is up, primarily Rocket Rez. We don't think we're getting a good deal there.

Melissa Goocher- Well, thank you. I'll address some of your points and thank you for doing most of the work.

As you pointed out, the revenues are down, not much, but not too much to say about that.

The general fund, and the contribute a million dollars to that, large part due to repairs.

Margaret Chase Smith, a lot of repairs and still coming in. Plus the Henry Lee, had a lot of repairs, and invoices are still coming in. Roughly \$600,000 all going up with more.

Dead River Contract for next fiscal year, not familiar with that process, there is a draft document, but it isn't final.

Health insurance, costs are very reliable, \$600,000 will not be spent to next year.

Technology. The 5300 is solely office, of Information Technology, for items like computers, data bases, telephones, and servers. Whereas the 5500 are vendors like cellular, Rocket Rez, Lee Baxter, different software.

John King- The 5500 went up a 157%. Are we paying that much for Rocketrez?

Melissa Goocher- There's Annual fee, plus enhancements.

Dennis Damon- Part of that enhancement was what we were supposed to get but didn't?

Bill Geary- There were requests by terminal supervisors, that requested some ticket enhancements and productively improvement last year, and its just now being billed to us.

Bill Pulver- The conclusion that revenue is down, there is a budgeted amount. The \$6.7 million is including the parking lot revenue, roughly take away \$400,000, if you want to see the set ticket revenue. So the ticket revenue is about 6.3 Million, But if you remember in 2019, when we set the rates, it was only supposed to be for four years. We're past that mark. We are almost a year late with the rate increases and I would not have predicted that we would have brought in the 6.3 million. So to correlate the lower ridership or effect of cancelations is hard to quantify. The 6.3 Million is higher than our projection, we expected about 6.0 Million and we have been bringing in ticket fares of 6.2, 6.3 for the past 3 years. So it has been pretty steady. I think what you will see is after Covid we rebounded and seeing more activity on the islands, with construction and other things. We have now leveled off and I think the model did pretty well. If we didn't have any cancelations would that number be any higher, possibly. We would not have expected 7.0 Million in revenue in the current rate structure that is why we had to change it.

John King – I think it was flatter than it would have been with the Maggie being out., but I get what you are saying. Thank you.

Melissa Goocher – Bill would you mind popping up the spreadsheet I sent you? (Displays spreadsheet). We track our budget on the bottom line. All other expenditures try to get on our budget. Can we get our expenses below this budget? This year we did not primarily due to the large vessel repairs. So the bottom line budget for all other was 5.0 Million for this year. We came in at 6.6 Million. What category those expenditures come in we mind less than the bottom number, We are looking more at the line categories. So in that 4000 line series, M&O has a bunch of contracts that are used

throughout the department. These are hard coded within that line item. So what goes into that line item are: fire suppression, project staffing, building improvements. So those types of contracts are coded to that 4000 series. If I were able to code them the way I'd like to, you can see the adjustments and have a budget to actual. That is where I would put them. This would break these expenses down to greater detail. That being said, for this year's budget I did account for some of those expenditures and did not put on the line, to show a better detail. There is no expectation that if we don't meet or go over that greater detailed line item, it is fine as long as we are managing to the bottom-line budget. The advisory board format was chosen a long time ago, it probably is not the way we would have chosen it.

Jon Emerson – this seems like a good time to recognize John King and the good work he has done. You probably are aware that he is resigning from the advisory board. He is an exemplary board member who is someone that I know I can call. John has stepped up to do extra work as a professional and certainly been a mainstay of the finance subcommittee. This year he also agreed to collate the commissioners report from the different islands. So John, I am definitely going to miss you. I am hoping you will realize how much fun this is and unresign.

John King – thank you Jon. As I said in my letter, I have very much enjoyed working with all the island representatives. This goes all the way back to tariff 8 and that is why I got involved. It was very gratifying to see how the different islands could come together and figure that one out. No one likes high tariffs, but fair tariffs are a lot easier to swallow. I think the peak season and off peak season rates have been able to strike a balance. It has been great working with DOT and the MSFS, I thank you guys do a great job given a lot of challenges. Thank you all very much and very much appreciate it. (Round of applause given to John King).

Dennis Damon – if in future meetings if you could provide the ridership and vessel status report prior to the meetings that would be appreciated.

7. Island Specific Issues

1. **Frenchboro** –

a. **Duncan Bond** - no major issues.

b. **Bill Geary** – I would like to confirm that my family and I will be coming out to the annual picnic on Frenchboro and look forward to finally visiting that island.

2. **Matinicus**

a. **Eva Murray** – 1 trip that needs to be made up and looking to get that when possible. FEMA inspection coming soon.

b. **Bill Geary** – has the tide issue been resolved and better? Eva – seems better.

3. **North Haven**

a. **Jon Emerson** – pretty smooth year and some damage from the storms. Ferry terminal and pen came through fairly well. Catwalk damaged and will get an answer on that repair.

4. **Swan's Island**

a. **Cathy Clark** – Propane trips keep getting scheduled on Frenchboro days. Can this get fixed? Let Bass Harbor know to not schedule on Wednesday and Thursday. Lot of state dump trucks coming now and not sure why and not

scheduled earlier when not so busy. Frenchboro cancelation policy – is that still in effect and the make up on wacky Wednesday. When originally set up there was never supposed to be made up. New policy states that this would happen?

- b. **Bill Geary** – the Frenchboro cancelation policy that has been updated and is not going to be changed again. The new memo that came out is not going to be changed.
- c. **Cathy Clarke** – so no way to change the wacky Wednesday?
- d. **Bill Geary** – No, we can meet again on this before going into the winter schedule.
- e. **Cathy Clarke** – if the Shay could be used for Frenchboro that would be great. The them vs us and they get everything, or we do, we don't like the bad feelings.

5. Islesboro

- a. **John King** – the MCS is back in operation.

6. Vinalhaven

- a. **Alan Baker** – thank you to John King for budget reports and making it easy to report. Our issues have been discussed previously and the cancelations.

8. New Business

- 1. **By-Laws** – for next meeting familiarize with them on the MSFS website page. Realize that the officers are appointed in the calendar year.

John King - propose motion as Jon Emerson as Chair and Dennis Damon as Vice Chair and Bill Geary as the Secretary with the retroactive approve all actions taken.

Jan Keiper – second

Jon Emerson – discuss and all those in favor – unanimously approved.

Jon King – proposal to give the commissioner report to the end of August.

9. Old Business

a) Update on Annual Report to Commissioner

- a. To be brought up at next meeting on timing for next year. Report will be submitted shortly and sent by the Chair.

b) Toll Update

- a. New tolls effective on August 1st and new tariff 10 with updates. This will provide clarity on items, such as cataphoric medical and sprinter vans being charged as a truck. Rocketrez is updating the system to be effective and new tickets with a new color so valid with the new rates and will give an update on a transition period on upgrading the tickets.
- b. **John King** – I assume the tariff is at AGs office?
- c. **Bill Geary** The toll portion is but the tariff is not required, that is the toll only.

10. Next Meeting/Adjournment

- a. Next meeting is scheduled for 9/19/24 at 10:30am.
- b. Adjournment: Jon Emerson moved. John King seconded. Approved and adjourned.