

**Minutes of the Meeting
Of the
Board of Commissioners
Of the
Fishers Island Ferry District**

ANNUAL BUDGET MEETING

The Annual Budget meeting of the Board of Commissioners of the Fishers Island Ferry District was held at the Fishers Island Community Center on **Friday, August 14, 2009**, at 5:00 PM.

Present were Commissioners: Ahman, duPont, Brooks, Burnham, Edwards
Former Commissioner Giles also attended.

Chairman duPont opened the meeting and declared a quorum present.

The official "Notice of Meeting" was read to the 30 attendees.

Minutes of the August 4, 2009 and August 7, 2009 meetings were reviewed and accepted in a motion by Commissioner duPont, seconded by Commissioner Ahman with the correction that Commissioner Brooks objected to Mary L. Center, Tzedekah House as the insurance broker in the August 7, 2009 minutes. AYES all.

Bill #'s 266-202 in the amount of \$87,086.86 were presented for payment. Bills in the amount of \$83,379.61. Bill #274 was to be pulled and billed directly to CCS/Storm Solutions. Approved for payment in a motion by Commissioner duPont, seconded by Commissioner Brooks. AYES all.

Chairman duPont re-read the oath of the newly elected Commissioner, Christopher I. Edwards, in a ceremonial swearing-in, who officially took the Constitutional Oath in Southold at 1pm.

Chairman duPont presented the 2010 budget by reviewing line items for both the revenue side and the expenditure side of the budget. During and following the review, the floor was open to anyone who would like to question or comment on the proposed budget. A random sampling of the questions and answers follows:

Q. What assumptions have been made on traffic numbers? Is traffic down?

A. Definitely less than last year at this time, but markedly better in July/August than in spring of 2009. Commercial traffic along with several housing projects, the bike path and the airport crack repair project are targeted for increasing revenues.

Q. Is 2900 autos in July correct?

A. In order to verify total numbers of vehicles to and from Fishers Island, a study of the vessel log books will be undertaken with a possibility of a second ticket being added for FI-NL trips to prevent non-round fare passengers from utilizing the ferry and getting a free ride either direction.

Q. Why aren't "clicker counter" numbers reflected in the boat log books?

A. They are.

Comment: A suggestion was made that these numbers be radioed to the Fishers Island office and entered into an "Excel Spread Sheet" for easier access in order to study if passengers are "gaming the system".

Q. Why does it appear that crewmembers and terminal staff aren't working?

A. Employees ARE working. Captain Easter is an expert at making sure the crews are busy at all times, even if it doesn't appear that way to observers unfamiliar with internal operations.

Q. Why aren't the Commissioners cutting boats and making layoffs?

A. The Commission has cut boats and reduced hours of part-time staff and has produced a "bare-bones" budget for 2009-2010.

Q. If these cuts have been made, why is payroll only reduced by 5%?

A. These cuts were very recent and are not reflected as all of August's numbers are not yet in. Also, unemployment compensation contributions must still be made.

Q. Is it prudent to leave the allotment for fuel oil at \$250,000.00?

A. A discussion ensued regarding fuel allotment and it was agreed to raise the line item to \$270,000.

Q. When does the District determine it is time for a fuel surcharge?

A. Fuel prices and historical use are closely monitored. It was discussed among the Commissioners that perhaps the decision for a fuel surcharge should be made if fuel goes back up to \$2.25 or \$2.50/gallon.

Q. SUV's are not paying their way. They take up much more room per car and reduce the amount of total vehicle space available on the ferry. The ferries are the same size and the cars are bigger! Shouldn't the District institute an oversize charge?

A. The District does have an oversize charge for anything over 18 feet. The District would consider another type of oversize monitoring system and charge.

Q. Why, in this economic climate, did the District grant raises to part-timers and longevity raises to full timers?

A. The part-timers are the backbone of our operation. They are flexible and numerous. Without the part-timers picking up the gaps and filling in, either permanently, seasonally or as a call-in, the ferry couldn't operate.

Q. So, every part-timer go the 3.5% raise and they all work 20-30 hours a week?

A. They all got the COLA raise, but all of them are not working that many hours a week. The hours for each part-timer vary based on their availability, whether they are a captain or deckhand, etc. Now that some boats have been reduced, their hours will be less. The danger is that too many cut backs in reliable trained personnel will leave the Ferry at a disadvantage in the summer when the volume of traffic requires experienced staff and, could end up costing even more to hire and train new part-timers if they are not kept on staff through the winter.

Q. Will there be raises for full time staff next year, particularly longevity raises?

A. There are some who have been grandfathered in our new policy manual through 2013, then the system reverts to a one percent increase instead of an aggregate increase.

Q. What percent of the \$1.2 million payroll is for part-timers?

A. A discussion ensued regarding junior vs. senior captains, determining the exact percentage of the part-time payroll and longevity raises.

Q. Shouldn't freight rates be higher? As a taxpayer, I feel like I am subsidizing concrete trucks and all this other traffic for people who have construction projects.

A. The District is looking at all rates: freight, commercial, charter, passenger and vehicle, etc. in order to determine what increases should be made, if any.

Q. Is it not true there is a regulation at the airport that no "touch and goes" are allowed between Memorial Day and Labor Day? Aircraft seem to come and go quite a bit.

A. That used to be the case. The business office can check to see if it still exists.

Q. Will the Ferry run out of money? How are you preparing for that scenario or attempting to prevent it? Is the Ferry looking at ways to create revenue?

A. There are TANs, possible sale of the backhoe, increase of taxes and fares; all ways to increase revenue. The ferry could run out of money as early as October, maybe December, maybe not at all, depending on who is analyzing the numbers. The District is doing everything it can to prevent that possibility.

Q. What will the shortfall be in 2009?

A. Anywhere from \$139,000 to \$300,000.

Q. What about Section 11 of the Ferry District "Act"? Has the Board done anything about any conflict of interest that might exist as regards this act?

A. The Ferry District has retained counsel who will be issuing a written opinion on this subject and it will hopefully be available for the September 1 meeting.

Q. What is the process after the budget is approved by the Board?

A. The budget is then officially adopted and the Board will continue its vigilance as regards costs, fuel, improving revenues, traffic and all other concerns, as in the past.

Motion made to accept the 2009-2010 budget made by Chairman duPont; seconded by Commissioner Brooks, with the line item for taxes increased to \$650,000 and the line item for fuel increased to \$270,000. In favor: Commissioners Ahman, Brooks and duPont. One Abstention: Commissioner Edwards.

Motion made by Commissioner Ahman to nominate Commissioner duPont as Chairman; seconded by Commissioner Brooks. Discussion ensued regarding setting up an Ad Hoc Committee made up of concerned individuals willing to help with problem solving on Ferry issues. The means by which this committee would be formed from Board-recommended/invited volunteers is to be determined at a later date.

All in favor of Commissioner duPont as Chairman: Commissioners Ahman, Brooks and Edwards.

Motion to adjourn made by Commissioner duPont; seconded by Commissioner Edwards. All Ayes.

Meeting adjourned at 7:36 pm.

Next meeting will be September 1, 2009 at 5 pm at the Ferry District Office.

Respectfully submitted,

Nina J. Schmid
Assistant Manager