

Minutes of the Meeting of the Board of Commissioners
Fishers Island Ferry District
July 10, 2017

Commissioner Ahrens at the Fishers Island Community Center called to order a meeting of the Board of Commissioners of the Fishers Island Ferry District (“the Ferry District”) on July 10, 2017 at 4:30 PM.

Commissioners William Bloethe, Heather Burnham, Peter Rugg and Di Shillo were present. Also in attendance were Gordon Murphy, Geb Cook and Deanna Ross. RJ Burns was present via phone. Several members of the public were present.

Commissioner Ahrens established that a quorum was present. Everyone in attendance pledged allegiance to the flag.

Correspondence/Public Comment – Mr. Cook received two pieces of correspondence via email regarding the hovercraft. One letter was received from Mr. Rich Bartels expressing his discontent with the hovercraft docking at Silver Eel Cove at 2:30am. Mr. Cook reached out to the captain of the Hovercraft and moving forward, they have agreed to not permit chartered trips that late. The second piece of correspondence was received from Ms. Lauren Calahan voicing noise complaints in Silver Eel Cove. Mr. Cook spoke with Ms. Calahan at length last Friday regarding her concerns.

Mr. Peter Burr asked the BOC to reconsider resuming the half-priced fares for non residents during the peak season. Mr. Burr feels that it was a nice benefit in years past and the majority of passengers have not abused it. Discussion ensued among the BOC and members of the public. The BOC has agreed to revisit the current policy.

A member of the public asked the BOC what the liability was for folks entering and exiting the hovercraft using the ladder on the dock. Mr. Cook informed everyone that both parties carry liability insurance and there will be consideration of a floating dock if the partnership with the hovercraft continues after the trial season.

A question was brought to the attention of the BOC regarding the recourse for damaged freight. Mr. Burns informed all that the policy is that the FIFD will not accept damaged goods at the New London Terminal. In the event that freight is damaged, anyone receiving the freight should address that with a manager. Another question arose regarding times in which the Fishers Island freight shed is closed to process incoming freight. The BOC and management has agreed to ensure proper signage so customers are aware of closing times.

Management Reports

SEC Dolphin Project - Mr. Burns updated the BOC. Mr. Burns and Mr. Cook reviewed the contract documents with Keith Neilsen of Docko, who has been in contact with Mohawk. The funding is in place and they are now waiting for a date to meet and sign the agreement to get the project underway for the North Ramp. Mr. Neilsen has begun submitting applications for permits for the New London dolphin and pier work.

Mr. Burns reported to the BOC that there was an issue with the Suffolk County Civil Service regarding the qualifications and license of one of the newest captains of the FIFD. Mr. Burns and Mr. Scott Russell worked together and reached an understanding with the Suffolk County Civil Service regarding the State of New York job descriptions and the unique position of the FIFD. The Suffolk County Civil Service has agreed to highlight any future applicants of the FIFD so as to not impede the hiring process and that future qualifications of captains and deck hands will be left to the jurisdiction of the FIFD. Mr. Burns offered his assistance to Suffolk County regarding any future screening of licenses of applicants that they may have with regard to yacht launches and ferries in the county.

Mr. Burns updated the BOC on the ferries. MV Race Point has been operating very well. Mr. Burns has reached out to naval architects Gilbert and Associates to assist in writing out the specs for the solicitation of the RFP for the two new engines on the Munnatawket, as well as assist in evaluating the most appropriate engines. Mr. Burns plans on meeting with a few potential engine vendors in the coming week. Availability of the selected engines remains a potential barrier due to lead time. For regulatory reasons the MV Munnatawket cannot operate after March 29, 2018 without the engine room being re-insulated. If the selected engines were not available during the yard period it would be possible to install the engines in winter or early spring. The A60 insulation needs to be installed during the yard period. MV Race Point will be pulled out for two weeks sometime after October 16, 2017 to have the A60 insulation installed by a vendor. During that time, Mr. Burns is considering having Fairhaven replace the car deck paint. If MV Munnatawket goes to Fairhaven for its shipyard period, the car deck paint can be replaced at that time at no additional charge. If the boat should go to another shipyard, Mr. Burns feels he can pull out the Munnatawket after September 16, 2017 for two days to have Fairhaven replace the paint. Commissioner Burnham asked Mr. Burns if the peeling of paint was due to weather or faulty workmanship or product. Mr. Burns feels strongly that it was weather related. Commissioner Rugg asked Mr. Burns if there has been any progress on grants for engines. Mr. Burns reported that there has been none at this time. Mr. Burns reported that he is trying to keep the expense of the engines as minimal as possible and would like to only replace the engines and use the current reduction gears in the interest of cost savings. Depending on the type of engine and horse power, there may be an added expense of replacing the propellers if they cannot be re-pitched. Mr. Cook reached out to bond counsel regarding the bonding of the new engines totaling \$250,000. Mr. Cook is waiting for a response. Mr. Rugg is hopeful to get 30 year bonds to aid in cutting down the FIFD debt service. A member of the public asked the BOC why they don't create a capital fund internally instead of bonding out externally. Mr. Rugg responded that the cash flow does not exist at this time to do so. When the cash flow is available, the goal of the BOC would be to create reserves.

Fireworks Cruise - Mr. Burns compliments the city of New London as well as the FIFD crew for helping to make the Annual Fireworks Cruise a great success.

The town of Southold visit to Fishers Island is scheduled for August 9, 2017. The Ferry will depart from Orient Point at 10am and arrive at Fishers Island at approximately 11:30am. Departure from Fishers Island will be at 2:45pm to return to Orient Point. The trip is limited to 120 people.

Warrants

RESOLUTION 2017- 118

RESOLVED, that the Board of Commissioners of the Fishers Island Ferry District hereby approves the Warrant dated July 10, 2017 in the amount of \$99,038.25.

Moved by: Commissioner A. Ahrens
Seconded by: Commissioner D. Shillo
Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo
Nays: None

RESOLUTION 2017- 119

RESOLVED, that the Board of Commissioners of the Fishers Island Ferry District hereby approves the Warrant dated July 10, 2017 in the amount of \$108,804.41.

Moved by: Commissioner A. Ahrens
Seconded by: Commissioner D. Shillo
Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo
Nays: None

Audit Update - Mr. Murphy updated the BOC. Management has finished working on the processes and the old material weakness sections and O' Connor Davies is currently reviewing. Mr. Murphy hopes to have that completed within two weeks for the Finance Committee to review.

Vision Plan - Mr. Murphy updated the BOC. A vision plan has been added as a voluntary plan for employees and has been well received.

Insurance - Mr. Murphy updated the BOC regarding all non health insurances. The District has contracted with a single carrier.

Race Point Insulation Award - Discussion ensued among management and the BOC regarding the estimate received from Anchor Insulation several months ago and the current quote which is \$15,000 more. Commissioner Rugg and the BOC asked management to investigate further any potential vendors to compare pricing and tabled this discussion until their next meeting.

RESOLUTION 2017 - Tabled

Whereas A-60 rated structural fire protection is required in the engine room of the M/V Race Point; and

Whereas a Request For Proposals was issued and advertised in a widely circulated publication; and

Whereas one proposal was received, the proposal conforms to the published specifications, the pricing is acceptable to management, and management recommends accepting the proposal from Anchor Insulation Company, Inc.; and

Whereas there may be unforeseen circumstances which require change orders, now therefore it is

Resolved that the Board of Commissioners of the Fishers Island Ferry District accepts the bid from Anchor Insulation Company, Inc. for \$44,722 to install A-60 rated structural fire protection in the MV Race Point; and be it further

Resolved to authorize management to review and authorize change orders up to \$4,472; the total cost not to exceed \$49,194.

It is further Resolved to authorize management to execute contract and ancillary documents for this project after review by District counsel.

Moved by: Commissioner

Seconded by: Commissioner

Vision Insurance

RESOLUTION 2017 – 120

WHEREAS Employees of the District who are members of the Civil Service Employees Association, Inc., as well as unaffiliated District employees, desire to put in place vision insurance coverage commencing July 1, 2017 in which participation is voluntary and for which participants will pay 100% of their coverage premium; and

WHEREAS the insurance broker Gowrie Group presented options; and

WHEREAS the Anthem Blue Cross Blue Shield Small Groups Insurance plan was selected based on coverage and terms;

THEREFORE IT IS RESOLVED, that commencing July 1, 2017, the District shall make available to its employees the Anthem Blue Cross Blue Shield Small Groups insurance plan and authorize management to execute all contract and ancillary documents relating to the Plan subject to review by counsel; and

BE IT FURTHER RESOLVED that management be authorized and instructed to work with the Gowrie Group to review any other related documents as the case may be and in general to finalize and put in place this vision care coverage program commencing July 1, 2017.

Moved by: Commissioner D. Shillo

Seconded by: Commissioner H. Burnham

Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo

Nays: None

Insurances

RESOLUTION 2017 – 121

Whereas Hilb Group parent of GenCorp Insurance Group reviewed the current policies with several underwriters for each insurance category.

It is therefore RESOLVED that the Board of Commissioners authorizes Mr. Murphy to execute all policies with Great American Insurance Co., American International Group, Starr Indemnity & Liability Company,

The American Equity Underwriters, Inc. and ancillary documents necessary to renew the Fishers Island Ferry District's 2016-2017 Property /Liability insurance package, administered by Hilb Group.

Moved by: Commissioner: A. Ahrens

Seconded by: Commissioner: D. Shillo

Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo

Nays: None

Purchasing Card Program

RESOLUTION 2017 – 122

Whereas the Board of Commissioners approved resolution 2017-067 establishing a purchasing card ("P-CARD") program with Bank of America; and

Whereas the District Manager and two Accounting staff members are the program administrators; and

Whereas credit limits and use of the P-Card follow the Ferry District's credit card and procurement policies;

Therefore it is RESOLVED that the Board of Commissioners of the Fishers Island Ferry District authorizes management to issue purchasing cards through the P-Card program to the following employees: George Cook, RJ Burns, Gordon Murphy, Jon Haney, Diane Hansen, John Paradis, Michael Franco, Nicholas Espinosa, Polly Ford, Jesse Marshall, John Morgan, Michael Fiora, Jon Hiller, Chris Newell, Carlton Wilcox, Bob Lavin, Deb Doucette and Derek Scroxtton; and it is further

RESOLVED that these employees are required to execute an acknowledgement of the Ferry District's credit card policy.

Moved by: Commissioner: A. Ahrens

Seconded by: Commissioner: D. Shillo

Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo

Nays: None

Two-way Ticketing - Mr. Cook updated the BOC. Management has had several meetings with Advantage Tech regarding the best approach to manage two-way ticketing. Mr. Cook hopes to have a written presentation from Advantage Tech to present to the BOC at the next meeting. Mr. Murphy informed the BOC that they are currently working through four major issues including software, hardware impacted by internet access, crew training and education of customers. Mr. Cook informed the BOC that management will be reaching out to the Passenger Vessel Association to inquire about different reservation systems that fellow members are using that might work well with the Fishers Island Ferry.

WRITE OFF ACCOUNTS RECEIVABLE

RESOLUTION 2017 – 122B

To Write Off Accounts Receivable Deemed Uncollectable

Upon review of the Accounts Receivable that remain outstanding in excess of one fiscal year, the District has determined that despite diligent collection efforts such receivables are deemed uncollectible. Therefore, in accordance with guidelines established by the Governmental Accounting Standards Board (GASB), which requires that the financial statements present only those receivables with a reasonable expectation of collection, it is proposed that Accounts Receivable and amounts previously deemed unrecoverable (accounted for in Allowance for Doubtful Accounts SM.389) which originated prior to fiscal year 2016 totaling \$5,124.35 are written off against revenues from Ferry Operations - Traffic (SM1760.2) in fiscal year 2016.

NOW THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Fishers Island Ferry District hereby authorizes the write-off of those Accounts Receivable in arrears by more than one fiscal year. The amount of the write off of Accounts Receivable and Allowance for Doubtful Accounts in fiscal year 2016 shall not exceed \$5,124.35.

Moved by: Commissioner: W. Bloethe

Seconded by: Commissioner: P. Rugg

Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo

Nays: None

Hay Harbor Transportation

RESOLUTION 2017 – 123

RESOLVED, that the Board of Commissioners authorizes the special use of the ferry to transport Ferry District employees from New London to Fishers Island for the purpose of the annual softball match between Hay harbor Club and the Ferry District on August 12th.

Moved by: Commissioner: P. Rugg

Seconded by: Commissioner: H. Burnham

Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo

Nays:

Ferry Park - Mr. Cook informed the BOC that there is a hold on the proposal from Ms. Herrick due to the dredging that will take place from now until spring.

Election - Chairman Ahrens reminded all that a BOC election will take place in August and that Commissioner Shillo has agreed to run for a five year term.

Executive Session

At 17:55, the following resolution was proposed: RESOLVED, that the Commission move into Executive Session for the purpose of discussing potential acquisitions of property, because a public discussion would substantially affect the value of the property at issue.

Moved by: Commissioner D. Shillo
Seconded by: Commissioner P. Rugg
Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo
Nays: None

At 18:40, the following resolution was proposed:

RESOLVED, that the Commission exit from Executive Session and resume Public Session.

Moved by: Commissioner: D. Shillo
Seconded by: Commissioner: P. Rugg
Ayes: A. Ahrens, W. Bloethe, H. Burnham, P. Rugg and D. Shillo
Nays:

Peak half fare resolution

Draft - RESOLUTION 2017 – 124

Whereas management recommends that half-fare discounts for non-residents on Tuesdays during Peak Season be established:

Therefore it is RESOLVED that half-fare discounts for non-residents on Tuesdays during Peak Season for travel on the 8:15 am trip and returning on the same day are immediately established; and it is further

RESOLVED that management is instructed to track activity for these discounted fares and report to the Board of Commissioners on that activity in October 2017 so that the financial effects of this policy can be evaluated.

Moved by: Commissioner A. Ahrens
Seconded by: Commissioner H. Burnham
Ayes: A. Ahrens, H. Burnham, P. Rugg, D. Shillo
Nays: W. Bloethe

Next Scheduled Meeting – **Monday, July 24, 2017** at 4:30pm at the Fishers Island Community Center.

Adjournment

There being no further business to discuss, and on motion made by Commissioner D. Shillo, seconded by Commissioner A. Ahrens, the meeting was adjourned at 6:43pm.