

Emergency Ferry Service Task Force  
Regular Meeting  
Town Office Meeting Room & via Zoom  
Thursday, March 20, 2025 @ 4:30 PM

APPROVED

4/3/25

MINUTES

**Members Present:**

Chair Gabriel Pendleton, Shey Conover, Peter Willcox, John King (Zoom)

**Members Absent:**

Earl MacKenzie, Fred Porter

**Others Present:**

Murt Durkee, Peter Rothschild

**Others Present via Zoom:**

Genevieve McDonald, Doug Welldon, Virginia Valentine, Dan Tutor, Donna, Sonya Leach, Laura Staines Giardino, Kara Masters Siekman

Call to Order: Chair G. Pendleton called the meeting to order at 4:32 PM, and a quorum was established.

**Minutes of March 6, 2025, Regular Meeting.**

**MOTION BY S. Conover, seconded by P. Willcox, to approve the minutes of March 6, 2025 Regular Meeting, as written. No discussion. Roll Call. Motion passed, 3 yes, 0 no. J. King abstained.**

**LEGISLATION UPDATE**

- Genevieve McDonald reported that we are tracking a number of pieces of legislation. There are six priority bills and only two have been printed. The Transportation Committee will wait for all the transportation-related bills to be printed before they have a public hearing day, a ferry day. It's important to know that as soon as bills are being printed and referred, things will be moving very quickly. The legislature typically has a two-week public hearing notice, then a one-week public hearing notice. That notice requirement is no longer in place. As these bills come out and as we receive copies, we have an opportunity to review them and offer suggestions for amendments or language changes. We need to be quick at getting that feedback to the lawmakers and the committee. The tempo of the legislature has picked up significantly.
- Gabe asked if it makes sense to have a placeholder meeting weekly, so if there is something to discuss, we have a meeting set.
- Genevieve recommended leaving some flexibility in there. Representative Faulkingham's bill was returned to the revisor's office today, so could print as soon as tomorrow or Monday. We are still waiting for Senator Grohoski and Representative

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Eaton's bill. They have not received drafts from the revisor yet. It may happen next week and those could potentially be out at the end of the week.

- Gabe stated that we can be available by email or phone if we need to schedule a meeting sooner to discuss legislation that's come out.
- John asked Genevieve if she could send any bills that get printed as a matter of procedure. Genevieve stated that she can and has been. We have also had a couple of opportunities to obtain drafts before they are printed. There's a window where a legislator will approve the language and send it back to the revisor's office. As documents come into Genevieve's possession, she is happy to share those via email. Nothing has come out since our last meeting, but there are a couple right on the cusp.

### STRATEGY DISCUSSION

- Gabe stated he talked with Peter Willcox about today's Ferry Service Advisory Board (FSAB) meeting. It sounds as though an initial impression of the Maine State Ferry Service (MSFS) changing its mind about keeping boats off island may be back on the table. Bill Pulver represented today that there still is a plan to move boats off island.
- Gabe added that it might be worth having a discussion about something that has come up at the Advisory Board Finance Subcommittee meetings. Legislation is going to be proposed on whether some amendments might include thoughts about what is and is not an operating expense for the MSFS. This has been a conversation that we've had for several years regarding things like the Unfunded Pension Liability, and whether or not that's properly categorized as an operating expense. Operating expenses have to be covered 50% by farebox revenue per the tariff. If it's not an operating expense, that amount would no longer be part of tariff increases. Unfunded Pension Liability is currently more than \$1M. Gabe also wrote a letter to the MSFS suggesting that the repairs to the Margaret Chase Smith (MCS) that are currently underway should be categorized as capital expenditures and not operating expenses. It seems that replacing shafts on that boat, especially in the context that the boat won't be replaced because they couldn't find a bid low enough and perhaps federal funding would be limited going forward, it seems the repairs that we're looking at now are not regular maintenance repairs. That's several million dollars. Every year for the past few years, they've blown the budget on repairs, mostly because the boats haven't been replaced on schedule as designed. Now we're in old boats, undertaking large repairs. If we didn't have that as part of the operating budget for the ferry service, we would need to collect a lot less in farebox revenues, so ticket prices would not have to go up. It's worth having the conversation about whether or not we should be suggesting legislation that somehow governs or provides guide rails to what is and is not an operating expense for the MSFS.
- Genevieve stated that this is a good time to be considering that. We have a number of bill vehicles. Two of the bills have to do with regulatory oversight, and are likely to be merged into one bill, which will provide us a vehicle to do something like that.
- John stated he is a former member of the Finance Subcommittee. He suggested having a CPA as an expert witness who could testify in front of the legislative committee on the Unfunded Pension Liability and the work that's underway on the MCS. He thinks that

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the work they're doing is supposed to last five or ten years, which would seem to be a capital expense.

- Gabe agreed it would be helpful to have someone who is knowledgeable with accounting opine on this unusual situation.
- She stated that Select Board member Steve Pendleton brought this up at a previous meeting, thinking that one of the bills was designed to address the percentage split between farebox and general funding.
- Genevieve stated that she has no reason to believe that any of the bills contain language that addresses this issue. They certainly can, if we propose an amendment.
- Gabe feels we're better off pushing around the edges with things like the Unfunded Pension Liability and what's an operating or a capital expenditure, rather than fighting about the percentage, because that could potentially lead to the MSFS covering less of a percentage, which is not the way we want to go. If the conversation is about how expenses are categorized, it's a little more nuanced and less likely to bite us.
- Genevieve stated that the DOT is going to take the opportunity in these bills to highlight the cost of the MSFS. They are going to open up that conversation, whether or not we do, or whether or not it's included in the language. Being able to push back on some of that and having a CPA talking about these other issues, we may want to include that information in testimony as we refine what those statements are going to be, what our position is, as we move forward in this process.
- Gabe added that Bruce Van Note has frequently brought up how expensive it is, and the cost to serve one individual resident. He likes to take the population of the island at its lowest in winter and divide the cost of the ferry service, ignoring the hundreds of people who work over here and the summer population.
- Genevieve added that the bill that the DOT is likely to use as their vehicle is the bill to extend ferry services to Matinicus, because it gives them an opportunity to talk about expenses.
- Peter stated that he made the point at the FSAB meeting today that Islesboro has a summer population of about 5,000, and that all the islands grow in the summer, and that that should be the number we're thinking about and not the winter population.
- Gabe suggested that the number we should be thinking about includes the 100 or so people who come over every day just to work. That's an important economic engine for the mid-coast area. People come from a long way to work on the islands. When costs go up, it impacts people from surrounding towns.

## **PUBLIC COMMENTS**

- Virginia Valentine asked how many people go from the island to the mainland to work. Gabe replied that not many do, maybe a handful for daily trips. She added that there are more who do longer trips, like a week away, for work. There are some students who go to the mainland to the vocational school, but there are more magnet students who come to the island.
- Murt Durkee stated that there are many workers who take the first ferry from Lincolnville, and many who take the Quicksilver.

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- Dan Tutor stated that the MSFS knows how many ferry tickets are sold every year. In the grant proposal prospectus literature, they had the numbers about how many vehicles and passengers the Islesboro ferry moves every year.
- Gabe added that we do have the ridership information from the MSFS. They circulate that to the FSAB. It may not be broken down by run, like the first boat, which is an important benchmark for commuters, but, they do have the overall ridership by week and day, and by trips to Islesboro and trips to Lincolnville.
- John added that they can get us the numbers for the first boat. When the original plans for the successor to the MCS had seating for about 54 people, John went to Bill Geary and said that's inadequate. Bill Geary did a count easily and confirmed that over 100 people are walking on that first boat every day.
- Doug Welldon asked if anyone from the committee is going to move ahead on finding a CPA. Gabe replied that the first step is going to be an informal discussion about what their opinion is. We don't necessarily want to engage them and have them write an opinion that's not going to be helpful. Gabe stated he'll have a conversation with Janet about available funding. John suggested a forensic CPA, who can be willing and able to testify. Gabe and John will ask their contacts for names of CPAs who might be a good fit.
- Kara Masters Siekman asked if we've considered doing a survey of companies who come to the island. Workers are not all local. Many of them are coming across the state. We need to validate our economic impact in the state. She replied that several years ago we did a survey around ridership, but we didn't capture any information about where people were coming from.
- Genevieve reminded that the important factor is who's coming from the island. The DOT isn't proposing eliminating the boat, so people who come to the island are still able to do that piece. It's about their proposal to berth the ferry overnight on the mainland, so it's really down to the people leaving, the importance of EMS, and who depends on the first run to get to the mainland.
- She stated that if we have folks that we know their business relies on the ferry and having a schedule that doesn't change, this could at least affect the number of voices that go to Augusta to demonstrate how wide an impact this may have. Kara suggested one source would be the record of reservations of the last ten years, as companies make multiple reservations a week.
- Sonya Leach stated that, as an islander, she doesn't want the schedule to start on the mainland. Do we know that all the island companies and the workers don't want it to start on the mainland, because their day might start earlier? She has heard from many customers that if there were a 6:00 boat, they'd be on it. This might be opening a can of worms. Those hundred walk-ons might want the boat to start on the mainland, or earlier.
- Gabe stated that this raises an interesting point. We haven't heard about a plan for how the boat living in Lincolnville would impact the schedule, but it's something to think about.

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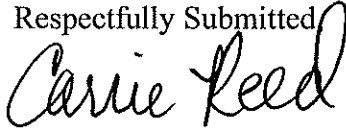
- Doug Welldon stated that his concern with the Ambulance Association is simply that the ferry berths on Islesboro. If we start acquiescing to the idea that it could start on the mainland because of the workers, that's not going to help the argument to keeping it here.
- Gabe agreed. It might pit the community here against people who work on the island, which is not where we want to be.

**NEXT MEETING DATE**

Thursday, April 3<sup>rd</sup>, 4:30. If there is something we need to talk about earlier, we will schedule via email.

**Motion by S. Conover, seconded by P. Willcox, to adjourn meeting at 5:05 PM. No discussion. Roll Call. Motion passed, 4 yes, 0 no. Unanimous.**

Respectfully Submitted



Carrie Reed  
Secretary