

**CASCO BAY ISLAND TRANSIT DISTRICT**  
**MINUTES OF THE MEETING OF**  
March 25, 2010

Directors Present: Moreau (by phone), Flynn, Doane (by phone), Johnston, Overlock, Peretti, Hoffner, Hoppin, Alves, Bonebakker, Crowley

Directors Absent: Donoghue

Others Present: Mac McKone,

Staff Present: Berg, Mavodones, Sawtelle, Williams, C. Gildart, Horr, K. Rice, W. Wanzer, L. Jones, G. Hults, T. Petsinger, P. Bowen, J. Nordstrom, J. Legere, S. Chute, T. Hults, M. Roth, G. Mitchell, S. Spalding, R. Anderson, A. Gildart, P. Frager, E. Willard, N. Mills

1. Call to Order: The Board meeting was called to order by President Flynn at 7:45 a.m. President Flynn noted that the meeting is being recorded.
2. Public Comment: Held out of order\*

**Mac McKone** asked when the Maquoit will be back. Nick said it is scheduled to be back the first full week in April, hopefully by April 9<sup>th</sup>.

**Sam Spalding** is a 4<sup>th</sup> year deckhand, he is discouraged by the blank field on the key risk summary of the 2011 budget overview. He is disheartened by the lack of progress that is being made with negotiations. They have been bargaining in good faith for over a year and the talks have broken down. The lack of progress affects quality of life and the group as a whole is disheartened by the lack of progress, He hopes the empty box doesn't reflect how the board feels.

**Seth Chute** has worked at Casco Bay Lines for 12 years and this is the only time where he has felt that he doesn't want to work here anymore. A year ago he was asked to provide better customer service which he did, he feels as though he goes the extra mile and the board are the faces you see everyday. You are proposing he make less money next year when he is having a difficult time heating his apartment. Employees have shown you overspending, why can't you weld in house? We have a person in house who could weld and save you money. He asks that you at least entertain their suggestions.

**Lloyd Jones** was hired 5 years ago into which he felt was a totally dysfunctional maintenance department. In the last five years they have brought the department up. He is glad they have a hired a good maintenance manager. He feels that the maintenance department has improved by developing vessel plans with no help from management. With no acting inventory in plan, just last week the District spent \$1500 on an outside contractor when a \$40 part that could have been used was in on the shop shelf. Two days later he put that part on a boat in forty-five minutes. Progressively we have started a new system for keeping records without help from management. It seems unfair, we have a large education base with dedicated employees and he wishes you could have seen what happened in the last storm. There really are diamonds here and the employees do a lot of good things. He asks that we work together to come to a resolution.

**Larry Legere** is an Operations Agent and has worked at Casco Bay Lines since 1973, so this year will be 37 years. He has never done this job to get rich. He does

this job and has stayed as long as he has because of a lot of love and respect for the islanders and he has continued to stay because he has always been treated fairly. Today he doesn't think he is being treated fairly. Echoing Seth this is the first time he is discouraged that he is working at Casco Bay Lines, he has struggled to raise a family, he has done every job but General Manager but feels that this board needs to take a close look at this budget and continue to treat its most valuable assets, its people, fairly.

**Graham Hults** has worked at Casco Bay Lines for four years both part time and full time. He was raised on Peaks Island and knows that the islanders only see the operation in the twenty minute ride. He realized as an islander a lot of the things you see on the boat you take for granted. He realized that there is a lot more to it. They don't know that there is more to the operation. We work 60 hour weeks to make ends meet; it doesn't leave room for a social life. There is great camaraderie between employees and we feel underappreciated.

**Mary Jo Roth** is a captain and deckhand. She recently was having a conversation with a surgeon about how it feels to have someone's life in your hands on the operating table but the surgeon made the point that she does the same thing everyday when she takes people out on the boat. You are sending her out on million dollar boats with hundreds of lives but she has to shop at Goodwill. She is having a hard time getting by as an islander, she is trying to live on Peaks Island, she has lived there for six years. Please consider what you are asking employees to do, in the storm we had last Thursday she took the Aucocisco out to bring people home because she knows what it is like to not get home. She does not make a lot of money but loves her job and would like to see that reflected in the way she is paid.

**Jeff Nordstrom** has been in Maintenance for twenty years. He is one of the reason you get back and forth to the islands, he comes in and fuels the boats early on Tuesday and Friday mornings, he hasn't had a Friday night with his family in twenty-four years. The people he works with are some of the best folks ever and thinks the lack of response is a shame.

**Tom Petsinger** has worked at Casco Bay Lines for three years as of St. Patrick's Day and when he went to put something together to read today it was hard to put three years of love and work on paper in three minutes. If you have read the island times, you know a little about Tom and his family, he sold Frank and Peggy Peretti an SUV so he has known them the longest. He was interviewed in 2007, there was one full time job and three part time jobs, he told them could not afford to work part time, at that time part timers got paid \$8.50/hour. He was ultimately hired for the full time position which started at \$12.65/hour. Since that time he has had one \$.70 pay raise bringing his hourly wage to \$13.35. In that time his insurance has gone from \$97 per week to \$147 per week, making his take home pay less than \$300 a week. Consequently he has had to go to his wife's insurance. You have hired Hank to bring change to the bay lines, you gave him marching orders, and one of his orders was to provide customer service. He wanted to thank the employees who sit at the table during negotiations. When the negotiating team told him yesterday that the original offer on the table was a 6% pay cut and is currently a 0% increase for last year, 0% for this year, and 1% for next year, if

you adjust this for inflation it is negative 5% each year. He is a home owner and property taxes go up every year not down. He always felt like you reward job performance. The Casco Bay Lines employees are CPR, First Aid, and AED trained, they are dedicated group of employees. Several people have mentioned the last storm, his first storm was the Patriots Day storm, he watched 11 lines break, and the employees here put themselves in danger. A woman from Long boarded the boat last summer with a severe head cut, he and another deckhand tended to her cut. He was working the Peaks Island boat when a man committed suicide; one of the men who were working on the ship I believe received counseling after pulling a dead man out of the water. They watch your kids as they travel back and forth to school. Back to his first statement, he is a father, husband, Christian, and a deckhand and a mate. Last summer he got the opportunity to make mate's pay, his pay went from \$13.35 to \$16.17, he had money in his checking account. But to be a mate had had to be away from his family five nights a week. Being away from your wife five nights a week does not help a marriage. He has made a photocopy of his pay check from last year and would like to pass it out so you can see what he took home last year.

**Jeff Legere** has been a deckhand at Casco Bay Lines for three years; he is also an Iraqi veteran. We are all human beings; we are all very discouraged and upset. He believes a 1 % raise is bs and would the board please help us out.

**Pat Bowen** doesn't like the comparison between working at here verse working in the private sector. He worked at private ferry company, Hyline, before he came to Casco Bay Lines. They had a 9-10 year period of growth and were compensated for that. In 1997 he was making \$6.50; in 2007 he was making \$16.00. In the private sector when times are good you get better raises and pay raises are higher, you are also eligible for bonuses. Being in a union and locked into a three year contract make that kind of compensation impossible in the public sector. If you can not get pay raises when times are good we shouldn't be expected to take pay freezes when times are bad. He is a single guy who makes it work but he is fighting for the guys with families who have the most at stake.

**Greg Mitchell** has worked as Captain and Deckhands at Casco Bay Lines for nine years. He admits that deckhands aren't perfect and there are things they could work on but during an emergency they pull together to make the boats run, this speaks to the tightness of the group as a whole. There is a family atmosphere here and there is serious risk of jeopardizing this by pitting employees against the board or islanders. When they were told a 1% raise over the next three years was on the table it sends a really poor message and a bad tone is being set by not listening to their cost savings ideas. There are list of money savings ideas including keeping painting of the boats in house, etc. and to have it be rejected time and time again and the alternative is to take it out on the employees, he thinks it is a real slap in the face.

**Andy Gildart** has worked at Casco Bay Lines 15 years, 10 full time, he knows the economic times are tough but hopes the board can steer the ship in the right direction and get it done.

**Nate Mills** has been at Casco Bay Lines since 1997 as a deckhand, captain, and mate. He had a tough time sleeping last night and wondered why we can not get

this done. Is it job performance, lack of funds? It can not be job performance; management is so far removed from the boats they don't know the employees are doing a good job. Looking at the budget he sees a 98% increase in uniforms and feels like if you can clothe us why can't you feed us? He is going to quote a senior captain, "his name is Dave not slave".

**Rob Anderson** is embarrassed for the board that they can not come forward with something. While he was working last night he told an islander about the lack on increase and they told him to find another job. He doesn't think that is the answer and that board needs to reconsider.

**Paul Frager** has been at Casco Bay Lines for over twenty years. The goal of negotiations is to cooperate and work together to find solutions. Sometimes it seemed impossible but we got there. In 1997 when it was immediately sent to shuttle mediation, we made an agreement that worked and it was probably the finest contract on both sides and serious issues were resolved and both sides realized that they needed to make this place work better for everybody. You will not find a more dedicated group of employees; we make it work for you. We have a genuine concern as a more dedicated and genuine work force that we want to make this work for the board. On Monday you offered us 0% for last year, 0% for this year, and 1% for the 3<sup>rd</sup> year. What does that equate to in money, when you are making \$13.35 you will make \$.13 more an hour next year. Roger Kelly will come in here and tell you that deckhands make crazy money when they have to work overtime to make ends meet. In twenty years this is the best financial year the District has seen, you put away \$200,000 and that this board is thinking about putting away money, employees are glad to see it but it can not be done on our backs. I saved you tens of thousands of dollars in fuel by cutting back on the engines and saving fuel. The senior captains made the decision to run the Auco down bay on Sundays to save money. We have done this for years; we know were the costs are. We have offered you suggestions on how to save money and fund our raises. He doesn't mean to bitter or angry, but I don't get paid to sit at negotiating table. The most intriguing part is how much money you have spent on Roger Kelly and Drummond Woodsum, probably 10,000, 20,000, or 30,000 dollars. You are not done spending; we are heading toward arbitration which will just cost more money. All we ask is that you sit down and cooperate; the ball is in your court to make that happen.

**Mac Mckone** thinks that the deckhands do a great job and that the Board needs to reconsider their stance with the union.

3. Business:
  - a. Executive Session
    - i. Discussion with Labor Consultant on collective bargaining pursuant to 1 M.R.S.A Section 405(6) (D): Johnston moved and Peretti seconded and the vote was unanimous to go into executive session. Overlock moved and Bonebakker seconded and the vote was unanimous to come out of executive session.
4. Approve Minutes of the February 25, 2010 Board of Directors meeting: Hoffner moved, Hoppin seconded and the vote was seven in favor (Hoffner, Moreau,

Alves, Hoppin, Crowley, Flynn) 1 abstain (Bonebakker) to accept the minutes of the February 25, 2010 Board of Directors meeting

5. Treasurer's Report: Overlock reviewed the January financial statements noting that there was nothing unusual and the numbers remain positive. He also thought this would be a good point in the meeting to discuss the budget

6. Business:

a. Discussion of the Fiscal year 2011 Budget

i. Hank discussed the top level of the budget and noted that the scheduled service revenue was staying flat, per the direction of the Board, compared FY10 but that there was a reduction of around \$59,000 because of the lack of fuel surcharge, hence the negative variance. There was an increase in group sales due to an increase in advertising dollars to online presence, an investment in promotional items and an improved economic forecast. The line item maintenance fund would be a portion of what we might get out of settlement with the City over the garage. The agreement states that 50% of profit that the garage makes annually gets put towards a maintenance fund which could be put toward capital projects. This only reflects a portion of what we may get. The other revenue increase was \$5000 due to a subsidy from Diamond Cove due to an added run. Personnel expenses increase 2 % because there was a period in FY10 when the Maintenance Manager was not here so there was no wage in that category; we plan to have a Maintenance Manager in place for all of FY10. There was also a projected increase in medical and dental insurance. Vessels and operations remain flat. Sales had largest increase because of a \$5000 brochure expenses and the purchase of the promotional items which will lead to the corresponding revenues. The 200,000 cash balance is not a good name for this but it is left over from last year and is to try and reduce or improve the retained earnings. The biggest hit we are taking in FY11 is the grant revenue. The 5307 which is federal funding through the PACTS committee, we expect a \$45,000 reduction and we had to account for that in reduction of expenses.

Overlock moved to approve the FY2011 Budget and Bonebakker seconded and the floor was open for public comment. Paul Frager asked is there a projected \$31,000 above what you budgeted for the year for FY10. He just wants to confirm that. Hank said the \$31,000 is the projections including actual through February and March projections. Paul wanted to know if this information was available to the public and if there was a line item breakdown. Bill Overlock said it is available in the aggregate. Patrick Flynn asked Hank to look into it. Paul looked at the March estimate and feels that they don't make sense. An Example was that the monthly Aucocisco interest payment was \$550 a month and then in March it was \$950. Public Comment was closed. The floor was then

opened to board discussion, Frank Peretti disagrees with the maintenance fund, feels terminal maintenance was high, feels overtime is too high, the shore side staff is overstaffed, and that the District shouldn't buy hats and other promotional items because there is not a return on investment. Frank plans to vote no on the budget but he thinks the presentation was good and it was easy to read. There was a call to question and the vote was 5 in favor (Flynn, Overlock, Hoffner, Alves, and Hoppin), 2 opposed (Crowley, Peretti), and 2 abstained (Bonebakker, Moreau). The motion to approve the FY2011 budget passed.

7. General Information Reports:

a. President's Report: Board President Flynn had nothing to report.

b. Committee Reports:

Operations Committee member Matt Hoffner reported that at the last operations committee meeting they discussed two-way ticketing. They reviewed an analysis about the loss of people who take a private boat out to the island and return on CBL. There is no support for doing this for passengers but may have support for trying it with vehicles to Peaks Island. They also discussed electronic ticketing and the upgrades that would need to be made to the Gateway system. There was also discussion about the plans for extending the south end of the terminal, there is currently 1.4 million dollars remaining from an Ocean Gateway grant for this project. Finally they have asked management to continue the discussion with the owner of Hope Island in regards to a morning and afternoon pick up. Bill had a question regarding the extra run to Long Island. Bill is referring to the extra summer boat approved for Diamond Cove with a subsidy from homeowners. The only item left for discussion was whether the boat was going to leave a couple minutes early to stop at Long before it went to Diamond Cove. According to Bill's polling, the Long Islanders would like the additional boat. It doesn't change cost or anything with the Cove; it just means the departure will be a couple minutes earlier. Matt doesn't believe it needs an additional Board vote. Erno wondered if we are changing a schedule whether we need, for transparency, a public hearing. Matt stated that there was a Board vote at the last meeting. Erno believes it is a process issue. Patrick said there was already a vote and Bill looked into it. Nick believes if it is in the minutes it is fine but if you wanted to go the extra step there is time to do that. Sales and Marketing Committee member Chris Hoppin reported that the committee is working with MDOT on improving signage. The committee is also discussing how to better track return on advertising programs. Government Relations Committee Chair Chris Hoppin reported that the committee will meet on March 19<sup>th</sup>. The committee reviewed the PUC meeting and is creating a list of government contacts at all levels. Rate Structure Committee Chair Frank Peretti noted that PUC hearing is scheduled for Tuesday March 30<sup>th</sup> at 9 am.

- c. Staff Reports: The Operations update is included in the Board package. Frank Peretti inquired when the new maintenance manager would be starting, Nick reported he would start on April 15<sup>th</sup>. Hank commented that there was an action item as a result of the PUC hearing which resulted in creating a tour and charter document. Hank also held an all hands meeting where he shared his background, viewpoints, and a short question and answer session. Hank also noted he went to an MBTA regional meeting, met with Sue Moreua and her colleagues at MDOT, met with Gorham Savings Bank, and is scheduled to meet with the Portland City manager.
- d. Wharf and other DOT reports: Sue Moreau had nothing to report.

8. New Business:

- a. Frank Peretti stated that several islanders are really ticked about the new boat and Peretti moved to stop the new boat in its tracks, Crowley seconded and the motion was open for discussion. Nick commented that procedural if you want something on the agenda you need to bring it to the Executive Committee, just questioning the procedure. Paul Frager stated that the six senior captains didn't agree with the new boat as proposed and it is not the right boat. It offers no means of freight transportation and there are legitimate safety concerns. There is no ability to interchange vessels, when the car ferry or Maquoit goes away there is not boat to move cars or freight. He understands the process is tempting when someone wants to give you Five million dollars for a new boat but the primary concern is safety and how can you safely move freight without a boom on board. When you have declining ridership does it make sense to add a new bigger boat. Jeff Legere wonders how we will make up the lost revenue from charters on the Island Romance with a new Aucocisco. Chris Hoppin understands the discussion, appreciates the public comments, but questions the process and the 11<sup>th</sup> hour discussion. Frank Peretti felt like the board made the wrong vote and the wrong time and now that a lot of people are voicing displeasure that we shouldn't be committed. Erno was not a part of the process and would like to hear from staff. He proposes tabling the motion with staff reporting back to the Operations Committee, if this can be deferred and done in a thoughtful way with out derailing the project. Sue Moreau said MDOT is going out to bid the first week in April. The 160,000 spent would have been to bring the design up to regulation, it wasn't an unusual amount, and it was a shovel ready project. If you turn down this boat or funding there will be political ramifications. Dave Crowley believes it will look worse if we say yes knowing this boat will cost us more than the government is giving us. Erno doesn't believe we should take this action. Sue says the documents are ready to go, MDOT has been working behind the scenes to make this happen. This may not be the perfect boat and recommends that the District begins to prepare for the next boat but if you turn this boat down she isn't sure what the ramification will be. AJ wonders how long we keep boats before we

sell them. Nick says we could sell it in a year but we would have to pay the State back with bonds. Chris thinks this is an 11<sup>th</sup> hour rehash and he will vote against the motion. Bill wholeheartedly supports what Sue just says. With Casco Bay Lines having requested and gotten the support of the State Government and a week before it is supposed to go out to bid we say no thanks, that would mean irreparable damage. Bill vehemently opposes the motion at this juncture. Dave Crowley has two friends in Senator Collins office and they believe that if we take the money knowing it is the wrong boat will put us in a worse position. Nick states we did have two senior Captains that served on the boat design committee to help accomplish reconfiguration. Gene Willard was on the committee and said as we redesign the Aucocisco let's make it mimic the Island Romance. Nick says the most efficient way to move freight is to roll it on and off. Nick also doesn't believe that it will be an issue to use a federally funded boat for charters; buses do it all the time. Paul Frager said, yes, there were two senior captains on the committee but what is at stake here. He understands Bill's point. In response to Nick and the committee, if somebody is going to force this boat on you they at least want input in the design. As far as freight carrying goes, they use the boom almost any given day on the Down Bay boat. The boom mitigates the tide. If we are going to be in the customer service business this boat doesn't provide that opportunity. Paul is not opposed to a new boat but wants it to be the right one. Erno states this doesn't sound like the perfect boat but when we get past this boat we need to start working on the next boat. The political and financial ramifications of turning this boat down might raise a real risk that we have trouble getting the next boat. The vote for the motion on the table is to kill the new boat, is 3 in favor (AJ, Frank, Dave), 6 opposed (Bill, Sue, Patrick, Matt, Erno, Chris) and the motion fails.

9. Workshop: There were no workshop items

10. General Announcements:

a. Scheduled meetings:

Operations Committee: Friday April 9<sup>th</sup> at 7:45 a.m.

Finance Committee Budget Meeting: Wednesday April 21<sup>st</sup> at 7:45 a.m.

Government Relations Committee: No meeting in April

Sales and Marketing: No Meeting in April

Finance Committee Meeting: Wednesday April 21<sup>st</sup> at 7:45 a.m.

Board of Directors Meeting: Thursday April 22<sup>nd</sup> at 7:45 a.m.

11. Adjournment: Overlock made a motion to adjourn, Bonebakker seconded and the meeting was adjourned at 11:00 a.m.

Respectfully submitted by: \_\_\_\_\_

Dan Doane, Clerk