

**CASCO BAY ISLAND TRANSIT DISTRICT
MINUTES OF THE MEETING OF
October 27, 2011**

Directors Present: Moreau, Hoffner, Johnston, Alves, Bonebakker, Flynn, Overlock, Doane, Peretti, Crowley, Burr, *Donoghue – arrived at 8:10 AM.

Directors Absent: None

Public Present: Mac McKone, Faith Rawding, Marianne Tracy, Howard Pedlikin, Rand Gee, Kevin Attra, Joyce Doane, Peggie Peretti, Marge Powers, Jane Gerard, Robin Clark, Marjorie Phyfe

Staff Present: Berg, Mavodones, Sawtelle, Higham

1. Call to Order: The Board meeting was called to order by President Patrick Flynn at 7:45 AM, and he noted that the meeting was being recorded.
2. Approve Minutes of the September 22, 2011 Board of Directors meeting: Peretti asked why there were no formal minutes taken for the Annual Island Meeting in July. Discussion followed. Burr agreed with Peretti, and Bonebakker agreed that the public should be heard in the minutes. It was decided that going forward, we will take formal meeting minutes for the Annual Island Meeting, and this rule will apply to special meetings as well. Peretti requested that his exact question regarding employment of the General Manager be recorded into the September 22, 2011 minutes. Overlock moved to approve the minutes subject to the amendment, Bonebakker seconded and the vote was 10 for and 1 abstain (Peretti) to accept the minutes of the September 22, 2011 Board of Directors meeting.
3. Treasurer's Report: Finance Committee Chair Bill Overlock reported that September was a good month with revenue over by \$38,000 due mostly to group sales and scheduled service to Peaks. On expense side, favorable variation on personnel, and negative variation on vessels, due to fuel and repairs to the Machigonne. Berg explained that the higher fuel rate kicked in sooner than expected (\$2.45 vs. \$3.275). We are investigating this with our fuel supplier, Dennis Burke. Overlock continued that the rest of the expenses are in line and the grants should even out by the end of the year.
4. General Information Reports:
 - a. President's Report: There was no President's report.
 - b. Committee Reports:

Operations Committee: Operations Committee Chair Dan Doane reported that the committee met on 10/20. Agenda items included inquiry about two downbay runs on the summer schedule; Cliff Islander Marianne Tracy's issue of her work schedule and CBL boat schedule conflicting; update on e-ticketing, we hope to start testing the process in November by having crew collect and scan the tickets to get data without impacting the passengers. Also, committee will plan on reviewing the boat schedules in December, and deal with requests for changes on an annual basis.

Rate Structure Committee: Rate Structure Committee Chair Frank Peretti reported the next meeting will be held sometime after the November election. The freight issue is still pending.

Sales & Marketing Committee: Sales & Marketing Chair Scott Johnston reported that the committee met on 10/18 and focused entirely on the website redesign and moving forward with that project. The next meeting is on 12/13.

Government Relations Committee: There was no Government Relations report.
 - c. Staff Reports:

General Manager's Report: General Manager Hank Berg reported that he met with Gorham Savings Bank regarding a new line of credit that is on today's agenda to be voted on later during the meeting. There was a question last month about the security of our large account balance with Gorham Savings Bank, and we have our accountant looking into this matter to verify that our funds are secure during the daytime, as they are after-hours. We had our Triennial Review last month with no deficiencies found for the District. Regarding the status of the new boat, Berg and Mavodones went down to Blount Marine last month for a review with Paul Pottle and to work on contract modifications. Due to the schedule delay, Blount has started work on other projects in the meantime, resulting in a new start date for us of April 2012 for the laying of the keel. It is estimated that the boat will be done by June 2013. We have purchased new security cameras for the terminal and boats, which are being funded through a grant. The cameras are required for compliance with the Coast Guard and no ID checks are needed if cameras are in place. We are moving forward with the Automatic Vehicle Locator for our boats, funded through a PACTS approved 80/20 grant. For the Terminal Renovation project, we've received two proposals for A&E (Architectural & Engineering) services and hope to finalize soon. Berg has submitted for a Trademark application for our Casco Bay Lines name and our boat logo, which will protect us. He also met with the city manager and the finance director regarding moving forward with our lease with the city. He hopes to report to the Board regarding this at the next Board meeting. Rand Gee asked for an update on the Cost Allocation Plan (CAP), which our accountant is working on to finalize, and asked if we are planning to have phone apps for customers to download. Scott Johnston reported that we do want to have the most current technology when considering our website redesign and we will be hiring a firm to help us. Robin Clark asked about the cameras on the boats and about the graffiti problem. Mavodones reported that the Captains have monitors in the wheelhouse and are capable of viewing the real time footage. Burr commented that if we can see who is causing the graffiti on the cameras, then they can be caught and disciplined. Peggie Peretti asked

why the Terminal is not yet handicapped accessible. President Flynn said this issue is for the public comment section and we will get to that soon.

Operations Report: Operations Manager Nick Mavodones said this section was already covered in the General Manager's report.

Faith Rawding inquired about the over budget fuel consumption, and asked for the numbers to review at a later time. Kevin Attra asked if the boats were running faster, contributing to the extra fuel consumption. Mavodones said the boats have dialed down the RPM's, but we need to make sure that this practice is consistent. Robin Clark asked if running more charters may contribute to the extra fuel usage, but we haven't done such a large amount that it would make a difference.

- d. Wharf and MDOT Reports: No new wharf report. Johnston asked for a Little Diamond Island dock update. They are anticipating going out for bid after the holidays. Burr asked if the state grant money we receive has any regulations regarding handicap accessibility. Moreau said we would inquire about this when we proceed with the Terminal Renovation project.

Note: Kevin Donoghue left the meeting at 8:55 AM.

Peggie Peretti asked about the status of the handicap accessibility issue. She said that she has inquired about this issue over the past ten years and it is still not resolved. After this topic was brought up at the Annual Island Meeting on the Bay Mist in July, she said she called Portland Glass and was quoted a ballpark figure of \$3,000 - \$6,000 to install the necessary components on one door in the terminal to make it handicapped accessible. She has now asked the assistance of Marge Powers from the Peaks Island Health Center to work on this issue with her and to verify the plight of the islanders who need to use these doors. She also commented on a newspaper article written about Hank Berg when he started as General Manager at Casco Bay Lines. She then stated her question regarding the handicapped accessibility for the Terminal. President Flynn directed the meeting to finish up the General Information Reports before getting to public comment.

- e. New Boat Update: This item was already addressed earlier in meeting.

5. Public Comment: Marjorie Phylfe asked if we can give the islanders a date on when the Board will get back to them regarding the start of the handicap access project and a date for when it will be completed. Burr agreed that we need to work on it now and not wait until the big Terminal Renovation project begins, since this is considered a smaller expense. President Flynn proposed to have staff work on getting bids for the project. Mavodones stated that we are not in violation of the ADA without the door access, and we need to find out what the broader ADA requirements are, and how many doors need to be done (including employee doors) before starting the Terminal Renovation project. The total expense could be much larger than we think. He stated that the maintenance department contacted some vendors after the July meeting to get prices. Berg stated that we should look at the larger picture as a whole, and he would prefer to tie this issue in with the Terminal Renovation project in case we end up having to redo the work. President Flynn suggested we look into getting one set of doors done as soon as we can. Bonebakker advised that we have someone who is knowledgeable about this issue assess what can be done in the short term to respond to these concerns, and give us an idea of how it may impact the larger Terminal Renovation project. Jane Gerard stated that if the boats need to be handicapped accessible, then why shouldn't the doors to the Terminal be? President Flynn stated that the Terminal was built before the current codes were in place, so it is 'grandfathered' regarding code. Johnston suggested we consult with Scott Simons from Woodard & Curran regarding a recommendation for the interim. Peretti made a motion that we make one door handicap accessible, preferably the door from the terminal leading to the garage, and have it done in time for winter. Burr seconded, and discussion followed. President Flynn questioned whether we can move forward with a vote since it's not on the agenda. Hoffner recommended that we acknowledge this matter needs to be taken care of, and to ask management and staff to look into architectural reviews, cost and bidding process before the 11/5 Executive Committee meets, and if it looks like the work can be expedited, then we put it on the 11/17 Board agenda. Moreau suggested we consult with Alpha One, an organization that works with the ADA. The cost may be much higher than we expect for the doors to be modified. Peretti agreed with Hoffner's recommendation, and withdrew his motion. Bonebakker said to just direct the staff to get it done and not bring to the Executive Committee or the Board for a vote. After discussion, it was agreed to bring to Executive Committee and go from there. Jane Gerard asked about the Terminal Renovation project and Berg gave an overview of the renovation list. Robin Clark asked if closer handicapped parking can be addressed as well. Rand Gee gave a presentation regarding the possibility of closing the Terminal restrooms to non-customers to reduce the overall maintenance and supplies cost. He highlighted the points and asked the Board to review his research and get back to him. Marianne Tracy from Cliff Island requested discussion of down bay islanders having to request non-scheduled stops. Berg noted that this issue was brought up at the last Operations Committee. Hoffner recommended that the Operations Committee expedite this matter and agree to make schedule changes in December on an annual basis. Mac McKone agreed. Faith Rawding asked that if the schedule changes are made in December, when do they go into affect? She requested that stops be made as needed, and to not wait for the schedules to be printed. Howard Pedlikin reminded the Board that it's people first and freight second, and President Flynn deferred this issue back to the Operations Committee. Berg suggested the District be careful when allowing requests, as we can't accommodate everyone's individual needs. Mavodones noted that we need to be mindful of the long-term ramifications of making extra stops and that we need to have clear policy direction to move forward. It's at each Captain's discretion to make certain requested stops, but they do need to consult with management if it impacts the commuter runs. Hoffner asked that the Captains be lenient with their discretion and ultimately the Operations Committee will make the schedule changes, if necessary.

*Note: Sue Moreau left the meeting at 9:40 AM.

Kevin Attra asked Berg about his other employment in addition to Casco Bay Lines and how it might impact his job here. Berg answered that the District doesn't have restriction for other employment for any employee as long as it doesn't impact their job and they don't use company resources.

6. Business:

a. Selection of Nominating Committee to bring forth a slate of Officers at the November 17, 2011 Board meeting
After a secret ballot, the results were Scott Johnston, Bill Overlock and a tie between Matt Hoffner and Frank Peretti. After discussion, Matt decided to concede to Frank. The Nominating Committee members are Scott Johnston, Bill Overlock and Frank Peretti.

b. Consideration and action on resolution to replace the District's most recent Revenue Anticipation Note with a new Revenue Anticipation Note

Overlock moved, Peretti seconded and after discussion the vote was unanimous to adopt the following bank resolution:

WHEREAS, the District has paid off its most recent revenue anticipation loan, which matured this past September 30; and

WHEREAS, the District wishes (a) to replace that Revenue Anticipation Note with a new Revenue Anticipation Note of not more than \$1,400,000 maturing on September 30, 2012, and (b) to authorize the District's Officers and General Manager to complete this borrowing and to negotiate, execute, deliver, and issue the new Revenue Anticipation Note.

Resolved: That the District, acting by and through its President and Treasurer, is hereby authorized to borrow up to \$1,400,000 to fund day-to-day operations of the District, including the payment of all costs incidental and related thereto, in the form of a Revenue Anticipation Note to be issued by the District, and that the District's President and the District's Treasurer are hereby authorized to borrow up to said amount through any financial institution, including but not limited to Gorham Savings Bank, which borrowing shall be for a term expiring on September 30, 2012, at a periodic interest rate of not more than 2.25% and shall otherwise be upon such other terms and conditions as the President and Treasurer of the District shall approve.

Resolved: That this Revenue Anticipation Note be designated as a qualified tax exempt obligation under Section 265(b)(3) of the Tax Code.

Resolved: That the District's President and the District's Treasurer are authorized to execute, and that the District's President, the District's Treasurer, and the District's General Manager each are authorized to negotiate and deliver any and all documents that they may find necessary or convenient in connection with said Revenue Anticipation Note.

Resolved: That the District President, the District's Treasurer, and the District's General Manager are hereby authorized to obtain all necessary regulatory and any other approvals for the borrowing described in these resolutions.

*Note: Bonebakker left meeting at 10:00 AM.

c. Consideration and action regarding the State of Maine's Public Utilities Commission investigation into the rate increase for all Great Diamond Island residents

Peretti moved to allow whistle-stops at the cottage side of Great Diamond Island for the residents who request them. Burr seconded and after discussion the vote was 2 in favor (Peretti, Burr); 3 opposed (Overlock, Hoffner, Johnston) and 4 abstentions (Flynn, Alves, Doane, Crowley) and the motion failed.

d. Executive Session

i. Discussion of General Manager's performance and objectives pursuant to 1M.R.S.A. Section 405(6) (A): Doane moved, Hoffner seconded and the vote was unanimous to go into Executive Session. Peretti moved, Crowley seconded and the vote was unanimous to come out of Executive Session. Doane moved, Johnston seconded and the vote was 5 in favor, and 3 against to endorse the recommendation of the Personnel Committee regarding variable compensation for the General Manager for the first half of 2011, and the performance goals and objectives for the second half of 2011.

ii. Discussion on the terms of the District's lease with the City of Portland pursuant to 1 M.R.S.A Section 405(6) © and (E) (If needed): Item postponed until next meeting.

7. Workshop: There was no workshop.

8. New Business: No new business.

9. General Announcements:

a. Scheduled meetings:

1. Executive Committee: Thursday, November 3 at 7:45 AM
2. Rate Structure Committee: No meeting planned
3. Sales & Marketing Committee: No meeting planned
4. Government Relations Committee: No meeting planned
5. Pension Committee: No meeting planned
6. Operations Committee: Thursday, November 10 at 7:45 AM
7. Finance Committee: No meeting planned
8. Board of Directors: Thursday, November 17 at 7:45 AM

9. Executive Committee: Thursday, December 1 at 7:45 AM

10. Rate Structure Committee: No meeting planned
11. Sales & Marketing Committee: Tuesday, December 13 at 7:45 AM
12. Government Relations Committee: No meeting planned
13. Pension Committee: No meeting planned
14. Operations Committee: Thursday, December 15 at 7:45 AM
15. Finance Committee: Wednesday, December 21 at 7:45 AM
16. Board of Directors: Thursday, December 22 at 7:45 AM

b. Correspondence: None

10. Adjournment: Johnston moved to adjourn, Peretti seconded and meeting was adjourned at 10:40 AM

Respectfully submitted by: _____

Dan Doane, Clerk