

**CASCO BAY ISLAND TRANSIT DISTRICT
MINUTES OF THE BOARD OF DIRECTORS MEETING OF
May 23, 2019 (As amended on September 26, 2019)**

Directors Present: Burr, Hayes, Johnston (left and attended by phone at 8:30), Doane, Overlock, Flynn, Wentworth (left and attended by phone at 9:53 AM), Crowley, Murray, Clark, Braden (left 9:30) and Luedke (by phone),

Directors Absent: None

Public Present: According to sign in sheet: L. Penalver, C. Radis, C. Hoppin, C. Chess, J. Halliday, R. Billings, M. Williamson, J. Waterhouse, J. James, M. Gibsonnash, J. Hoffman, G. Smith, R. Ashmore, S. Cohen, P. Kilmartin, J. Beck

Staff Present: A. Rosenburg, D. Laventure, J. Laventure, M. Winchester, M. Kelsey, S. Cohen Berg, Greven, Mavodones, Pottle, Gildart, Thibeault, Willard, Harris

1. Call to Order: The Board meeting was called to order at 7:48 AM by Patrick Flynn, and he noted that the meeting was being recorded.
 - a) Berg noted that this was out of order but wanted to recognize the crew who rescued two men on Saturday, May 11, 2019.
 - a. Berg stated: “As many of you may have read in the news, on Saturday, May 11th, a canoe carrying two men capsized in Casco Bay. The water temperature that day was 47 degrees – dangerous conditions in which someone can lose consciousness within as little as 5 minutes. I want to take a moment to recognize the exemplary efforts of Capt. Andy Gildart and deckhands Stephen Whitney, Aaron Wanzer and Ryan Ruhlin for the rescue of these individuals. This incident highlights the importance of regular and realistic drills. By conducting drills on a consistent basis, captains and crews are well prepared for these type situations – which almost always arise on very short notice and often during challenging conditions. On behalf of the Casco Bay Island Transit District Board of Directors, I would like to thank Andy, Stephen, Aaron and Ryan! Your individual and collective efforts may very well have saved the lives of these two boaters. Great work!”
2. Approve the minutes of the April 25, 2019 Board of Directors meeting: Crowley moved to approve the minutes of the April 25, 2019 meeting, Doane seconded. The vote was unanimous and the motion passed.
3. Public comment on items under consideration from March Board meeting (Out of order):
 - a. **Lisa Penalver**, Peaks Island resident since 2006. Lisa stated that there are common goals shared between Casco Bay Lines Management, Casco Bay Lines Directors, and the stakeholders, which include tourists, residents and property owners. She mentioned the vessel that is being looked at now is a 600 passenger vessel that is going to have a profound impact on Peaks Island Residents’ lives. And it is not just about money, although she knows that is what the Board of Directors are considering. Penalver stated the common goals are that the ferry system remain financially viable and affordable for residents, that CBITD can be successful in leveraging the high summer traffic to Peaks Island which relies on the attractiveness of Peaks Island and that the design of this vessel must satisfy all of these outcomes. Gave a brief introduction about herself and explained she lives on the island and cares deeply about the community and emphasized the importance of community to those that live on islands. Is concerned that this new vessel could turn Peaks Island into a theme park which is not what Peak’s is it is a small residential community.
 - b. **Andrea Rosenburg**, resident, property owner and teacher of Peaks, Island. Responding to an op-ed that was written by Dan Doane and Scott Johnston on April 3 that stated limiting tourist traffic onto the island is a dangerous rhetoric. She explained she does not feel this is a dangerous rhetoric at all but it is dangerous to increase the vessel capacity to the Peaks Island capacity because this will promote tourism. There have been communities that have been destroyed by over tourism and increasing the vessel capacity will promote tourism. Stated she

feels there is a great advantage to keeping the vessel capacity as is because two thirds of islanders would like it this way and this will win their hearts and minds. Peaks Island really cannot handle the people coming out to Peaks Island in the summer. Stated the traffic in the summer time is undermining the community and that community is a precious mental health resource that Peaks Island still has, but is at risk.

- c. **Chuck Radis**, stated he wrote the rebuttal to several board members about building the larger capacity ferry that appeared in Portland Press Herald last month and that he still believes the things he wrote. He explained he is going to put the blame on the PUC that changed the charter when Casco Bay originally bailed out the bankrupt Casco Bay Lines in the 1980's. This organization was set up to commit to the needs of islanders. With the change in the PUC charter some years ago other interests like tourism received equal footing, which was not the original bail out for this organization. Radis, explained there was one slide from the Finance Committee meeting presentation that put into perspective for him, that ultimately we are tying the future of the bay lines to tourism, to the cruise ships that come in to Portland that could disappear in one year with a recession and to the weddings that may not always take place on Peaks. He reiterated that there is a clear majority of people on Peaks Island that do not want this larger vessel to happen.
- d. **Caran Chess**, Peaks Island resident, stated \$1.6-\$2.5 million dollars is a lot of money, which is how much more the Bristol Harbor Group the independent reviewer says the large boat will cost in comparison to \$9.9 the estimate from Eliot Bay last year. \$11.5-\$12.5 are the bids that are out today and it is likely that this will go up. Will the grant cover the cost? This will delay the timeline so much that the boat cannot be built before the grant expires. Is Casco Bay putting the entire project in jeopardy by selecting the largest most expensive boat? Stated that maintenance cost provided by Eliot Bay differ significantly. The larger vessel will cost 16% more to maintain.
- e. **Sharron Cohen**, resident of Peaks Island, read the mission statement of Casco Bay Lines. After she stated safety is compromised in Portland, the orange barricades directs passengers to where all the cars and freight are offloading. Asked with this new boat where the staffing is, where the infrastructure is and where is the preservation of our year round community. With ridership down in the winter a larger boat will be higher ticket prices and a higher cost of living. The community now will not be able to stay because they will not be able to afford it. Asked why there is no comment box or office hours that islanders are able to talk with administration.
- f. **Margaret Kelsey**, Peaks Island Resident, stated the number of people who come here on a regular basis have not been for the larger vessel. Requested that board members that have business's on Peak's Island that benefit from tourism, remove themselves from this decision due to conflict of interest. Stated we do not need a bigger boat we need better solutions that make people safe when they travel and make people willing and desire to travel. Explained there are greater opportunities to create a better solution.
- g. **Jean Hoffman**, resident of Peaks Island, explained it has been an interesting process and that she appreciates the thorough analysis that has been done. Commented that these projections are hardly conservative projections and that these are risky projections. Stated Tourism won't keep going up and the tourism projections are higher than what has been projected by the state of Maine. There have been assumptions to make these projections that are not reliable or conservative but are aggressive and uncertain. Requested that the board be modest, conservative and to be Mainers when making this decision.
- h. **Jody Halliday**, Resident of Peaks Island had the audience and Board take a moment of silence to picture their community and what it looks like. She also asked that they please not negatively impact or destroy the Peaks Island community.

- i. **Doug Laventure**, New resident of Peaks Island, Asked the board how many of them were willing to move forward with this decision before seeing the Pro Forma that has now been presented to them. Stated that he feels that the decision has probably already been made and will probably move forward but there is going to be a lot of continued discussion about this topic. He stated cost creep will happen and he questioned when this happens, where is the additional funding going to come from?
- j. **Chris Hoppin**, Resident of Peaks Island and former board member, supports the mission of safe and secure for everyone on the bay lines. Also indicated that the cost of the new boat to be determined will be subsidized and that delaying the decision will cost more money. Hopes that we do not delay but that we will act soon to support the larger boat. He said we do not know how many tourists will come but we must be prepared because that is our responsibility as a public utility carrier. Finally, explained that only the year rounders took the survey and the summer owners want a bigger boat because they are seeing the crowds and the problems of the existing Machigonne II. Urged that the board vote for a bigger boat.
- k. **Michelle Winchester**. Resident of Peaks Island, summarized that they have seen a vast difference between the year round use and the peak summer months. Explained that one thing that resonated with her was that we are solving a 2 month problem with a 12 month solution. The data also shows that year round we need more capacity for freight and vehicles and in the summer months we need more capacity for passengers. Explained that we are asking for a solution that solves the Peak problem and that there are other ideas to help solve the problem that is trying to be solved.
- l. **Ralph Ashmore**, resident of Peaks Island, stated he is concerned about the Peaks Island community and the impact a larger vessel will have. Explained he is concerned not only as a resident but as a business man as well. Feels the idea of Peaks being a tourist trap rather than a place of peace and serenity will turn around and bite us. Asks the board to consider what that will impact in terms of Casco Bay Lines and its longevity.

Flynn asked if there were any more comments and then closed public comment.

4. Staff reports: (out of order):

Berg explained that as part of the motion to postpone at the March meeting there were 4 items associated with that motion 1) Time for the board to review public comment 2) Staff to look at vehicle reservation for Peaks Island 3) Staff to perform a stress test in terms of a 30 year Pro Forma with different scenarios 4) Staff to connect with the city to discuss on ways to improve situations on Peaks Island.

- a. Peals Island Vehicle reservation research
Nick Mavodones reviewed the report on vehicle reservation system
 1. Discussion followed.
- b. General Manager report on EBDG update
Berg introduced John Waterhouse and Matt Williamson from the Eliot Bay Design Group who are the Naval architects to explain the design process and estimates to date. He explained that this will help put everything into perspective before the presentation of the 30 year Pro Forma Analysis and help explain how early we are in the design process
 1. John Waterhouse reviewed the design process and price estimates to date.
 - a. Discussion followed.
- c. New Peaks Island Vessel pro-forma analysis
Jonathan Greven, Director of Finance and HR, presented findings on the 30 year Pro Forma Analysis that was done.

1. Discussion followed.
- d. City of Portland Commitment letter
Berg explained the last item that was asked by the board was for staff to meet with the city and start a dialogue in terms of what the city can do to help out on the Peaks Island side issue. He reported that Mavodones and he met with John Jennings and Mike Murray (as a city staffer not a board member). The meeting was the first week of May.
 1. Mike Murray explained what was talked about in the meeting between Casco Bay Lines and the City.

5. Business

Flynn explained that the board will now take up the motion of the consideration and action that was postponed at the March Board of Directors meeting.

Burr made a comment clarifying that if this motion passed saying the board was in favor of 599 capacity the board can then put a policy forward limiting the number of passengers allowed aboard.

Berg clarified that the motion is intended to give guidance to staff and naval architects for what boat they can continue the design process with. The more detailed design might demonstrate it is not possible to do a 599 passenger ferry given the constraints. This is just giving flexibility and that 599 is within the current Coast Guard classification of a subchapter K vessel. Whatever capacity the boat ends up being the Board is also able to set the capacity by policy.

Berg explained that it is now time for the board to debate and vote on the pending motion.

Board Comment:

Mary Anne Hayes:

Initially thought it was good idea to say “what’s the max we are limited to”. She explained that her DOT objective is to make sure the infrastructure on the Peaks docks is not required to be changed. Feels that when making this decision it is nice to have as much flexibility as possible. On the other hand the point is to serve the service objective, bigger isn’t always better, if it doesn’t bring about the quality of life and service improvements which she feels are all very important decisions. Then the biggest thing we can afford to buy is not necessarily the right decision and she has not yet made a determination and is interested in hearing what everyone has to say.

Dan Doane: Stated he has been over all the information and is good with his decision of supporting a larger vessel.

Bill Overlock: Asked Hank to reiterate what a no vote means. Berg explained that a no vote would require another motion to be made for some capacity guidance, unless the board is shutting down the design all together. If no guidance is given from the board, staff will do the best they can to move forward using their best judgement.

Scott Johnston: Stated he appreciates the extra time given to review information and that he is for providing the guidance and all for moving forward.

James Luedke: For moving forward

Polly Wentworth: Still has a lot of questions that she feels need to be looked at further which lead her to be not in favor.

Dave Crowley: stated he understands the need to have the options open. Feels we are not going to be able to afford a larger vessel. Feels he can’t support a bigger boat right now with just his experience with maintaining a boat that is just two feet longer.

Mike Murray: A couple points that struck him in the past and today is that the Machigonne II in its current configuration can't be rebuilt. Meaning it is going to be longer and going to be bigger for the same capacity. From Jonathans work there was a mention that year round there is a need for more freight and more vehicle capacity. As a Board we have the right and authority to limit the passenger capacity by policy. Explained that as a Board a limit on the passenger capacity should be put in place right now and at the appropriate time would like to make an amendment to limit the capacity.

Robin Clark: Explained that right now in the current situation on the Machigonne when 12 vehicles are on board it is dangerous situation. From that stand point alone she believes there needs to be a bigger capacity for vehicles. She also stated it is a given that we need to be able to get more people off the island. If it can be written as a policy that the vessel is able to take 599 passengers off but only bring 399 passengers on. We have to progress in order to keep the island viable. Stated that everyone in the room are transients and no one can guarantee they will be on the island for the next 30 years. But, Casco Bay Lines has to stay viable for 30 years and beyond and has to take into consideration the needs of the islanders, the needs of freight, and needs of vehicles going back and forth and believes CBL acts financially responsible. Stated she is in favor of going forward.

Berg explained that Twain Braden is not available and that Braden asked Berg to share his opinion. Berg explained Braden is not able to vote but he is against the motion and wanted it to be shared with the board.

Murray made the amendment that the board strike from the motion "and the ability to reduce passenger capacity as a matter of policy" and add "and outbound passenger capacity from Portland to Peaks Island shall be limited to a maximum of 499 passengers and inbound passenger capacity from Peaks Island to Portland shall be limited to a maximum of 599 passengers." Doane seconded.

Discussion followed.

The board voted on the amendment and the amendment passed.

In favor: Hayes, Clark, Burr, Doane, Murray, Flynn, Johnston, Luedke, Wentworth, Crowley

Not In favor: Overlock

The board then voted on the motion as amended and the motion as amended was passed.

In favor: Hayes, Clark, Doane, Murray, Flynn, Johnston, Luedke, Wentworth, Overlock

Not In favor: Burr and Crowley

6. Treasurer's Report: Overlock reviewed April 2019 financials. Discussion followed.
7. General Information Reports:
 - a. Committee Reports: No Committee Reports
 - a. Operations Committee: There was no Operations Committee meeting.
 - b. Finance Committee:
 - c. Sales and Marketing Committee: There was no Sales and Marketing Committee meeting.
 - b. Project updates: None
 - c. Wharf and MDOT Reports: None
7. General Announcements

- a. Establish next meeting dates:
 - i. Executive Committee: Thursday, June 6 at 7:45 AM
 - ii. Finance Committee: No Finance Committee
 - iii. Board of Directors: Thursday, June 27 at 7:45 AM
 - iv. Operations Committee: Thursday, June 20 at 7:45 AM
 - v. Sales & Marketing Committee: No meeting planned
 - vi. Personnel Committee: No meeting planned
 - vii. Government Relations Committee: No meeting planned
 - viii. Pension Committee: No meeting planned

b. Correspondence: None

9. Workshop: No workshop.

Adjournment: Doan moved to adjourn, Murray seconded. The vote was unanimous to adjourn at 10:16 AM.

Respectfully submitted by:

~~Robin Clark~~, Clerk



Charles Burr, Assistant Clerk