

Chappy Ferry Advisory Committee Meeting
July 16, 2021
3:00 pm

A meeting of the Committee was held on the above date and time via Zoom. Members present were: Bill Brine, John Dropick, Rick Schifter, Sally Snipes, Dana Strayton, Tom Tilghman, Peter Wells and Town Administrator, James Hagerty.

The minutes of the meeting of June 4 were approved.

The Committee discussed the status of the Woods Hole Group's Draft Adaptation Plan, which, as of the time of the meeting, was still being finalized. Mike Biros gave a report on his efforts to identify relevant government bodies from whom we could seek funding to address our adaptation needs.

The Committee considered a request to recommend to the Select Board that the ferry be allowed to collect a surcharge of 3-1/2 % on credit card transactions and a 10% handling fee on charge accounts. After extensive discussion, on the credit card surcharge, Hagerty, Schifter, Tilghman, Snipes and Wells were in favor, while Brine, Dropick and Strayton were opposed. On the charge account handling fee, Schifter, Tilghman, Snipes and Wells were in favor, while Brine, Dropick, Hagerty and Strayton were opposed.

The Committee continued its discussion regarding the discount for "full time" Chappy residents. As reflected in the minutes of the June 4 meeting, the Committee engaged in further discussion regarding modifying the program along the following lines:

1. The "full time" resident discount would be expanded to include all vehicles (i) registered at a Chappy address, (ii) whose owner had a Chappy address on his/her driver's license and (iii) whose owner resided on Chappy at least 6 months plus one day a year.
2. The Town would be responsible for issuing stickers for the cars eligible for the "full time" resident discount. The sticker would provide eligibility for five years (assuming continued qualification under the rules) and be subject to renewal.
3. The "full time" resident passenger discount would not be expanded and would be permanently limited to those people who currently qualify for that discount and maintain their eligibility.

To better assess the anticipated financial impact of these modifications, Wells suggested that the Committee conduct a survey of Chappy residents to determine how many vehicles would become eligible for the resident discount if these changes were implemented. Tilghman agreed to draft the survey for consideration at the August meeting.

The Committee discussed the following framework for considering rate increases in the future:

1. Objective should be to generate sufficient revenue to cover all reasonable expenses of ferry operation (including depreciation and interest expense), plus a return on equity.
2. Targeted return on equity should be 5-10%.
3. At least every 3 years, a review of financial results for the prior 3 years will take place. If average return on equity is between 5% and 10%, no action will be taken. If average returns are below or above that range, appropriate adjustments to the rates will be made.

The meeting was adjourned at 4:35 pm when a power failure terminated the call.

