

**Chappy Ferry Advisory Committee Meeting**  
**January 12, 2022**  
**5:15 pm**

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

The minutes of the meeting of December 21 were approved.

After some discussion, the Committee approved unanimously a motion to recommend to the Edgartown Finance Committee that a \$200,000 item on 2022 Town Warrant be included to fund the work of Fuss & O'Neill as described in the attached proposal.

With Wells and Snipes abstaining, the Committee approved the following motion: "The Chappy Ferry Steering Committee recommends that the Select Board incorporate into relevant agreements with the Chappy Ferry operator that rates will be established at a level intended to provide the Operator with total annual revenue sufficient to cover all reasonable operating expenses of the ferry (including interest and depreciation) and provide on average a return on equity of 5-10%. At least every three years, a designee of the Select Board will review the financial performance of the ferry during the prior three years and, in the event the average annual return on equity was outside the 5-10% range, then an appropriate adjustment to the fares will be made. In addition, as part of this process, approval by the Select Board of modifications of all fare classes (not just cash fares) after fair notice to the community will be required."

The Committee then discussed the nature of the review of the Chappy Ferry Co's financial records that the accounting firm Nardella & Taylor expressed interest in undertaking. Specifically, the Committee unanimously approved a motion requesting that N&T's review produce answers to the following questions:

- a. Are processes in place to ensure that the revenues reported in the Company's financial statements reasonably accurate?
- b. Are the expenses incurred by the Company reasonable related to the ferry operations?
- c. For each of 2019, 2020 and 2021, was the return on equity above, below or within the 5-10% range?
- d. What is the definition of equity used to determine the response to c. above?

Schifter confirmed that N&T was willing to take on the work free of charge in anticipation of being involved in a possible subsequent transaction involving the Ferry.

Brine, chair of the Ready Service Subcommittee, updated the Committee on the Subcommittee's deliberations. He expects the Subcommittee to have recommendations for the Committee by mid-February.

The Committee discussed the future meeting schedule and agreed to meet once a month going forward. The next meeting would be scheduled for a date after the anticipated completion of N&T's work.

The meeting was adjourned at 6:20 pm.

