

# Chappaquiddick Ferry Steering Committee

## AGENDA

November 21, 2022 5:00 P.M.

Meeting attendance by remote participation only due to Corvid 19. Details below

### Agenda:

1. Review of minutes of 9/15 meeting
2. Update on Fuss & O'Neill resiliency project
3. Discussion of process for evaluating potential forms of future ownership
4. Discussion of 2023 license renewal
5. Discussion of fare increase request

\*Time is reserved for items that the Chairman did not reasonably anticipate would be discussed.

Topic: Chappy Ferry Steering Committee 11/21/22 @ 5:00pm

Time: Nov 21, 2022 05:00 PM Eastern Time (US and Canada)

### Join Zoom Meeting

<https://us02web.zoom.us/j/86068676658>

Meeting ID: 860 6867 6658

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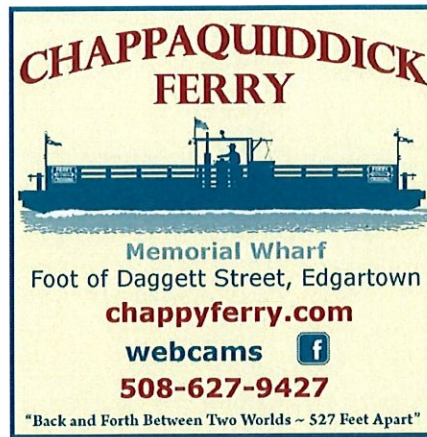
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# Chappaquiddick Ferry, Inc.

53 Dock Street  
PO Box 1917  
Edgartown, MA 02539

November 1, 2022

Edgartown Select Board  
Town Hall  
Via Email



Request for approval of rate increase.

It appears that we will continue to own and operate the Chappy Ferry for at least another year. We held off asking for a rate increase as a sale to new owners seemed imminent. Since that change of ownership did not occur, this requested rate increase is necessary for the ferry to meet its expenses during the coming year.

According to the financial review report provided to the Edgartown Select Board appointed steering committee from Nardella & Taylor, the expense of operating the Chappy Ferry was equal to the revenue from fares in 2018 and 2019, which means that the ferry charged only what it needed to operate. During the Covid years, revenue was suddenly less than expenses. In 2020, revenue was 16% less than expenses. In 2021, revenue was 7% less than expenses.

The report also shows that the operating expenditures of the Chappy Ferry are comparable to that of the Balboa Island Ferry in California. Members of the steering committee have insisted that the Chappy Ferry is modeled after that service and should be compared to it for validity of expenses.

Traffic flow and revenue have been below that of last years, yet the second ferry has been in service more often in the off-season than in previous years with a consequent increase in salary expenses.

Over the past year the price of fuel has steadily risen to the point that during this summer the ferry paid \$3,000 more per month than a year ago. All ferry operation expenses have increased - insurance, payroll, utilities, maintenance supplies.

Over the past three years, inflation and cost of living have increased dramatically. Prices have increased for essentially all products and services, with the notable exception of the Chappaquiddick Ferry fares.

The Chappy Ferry rate structure has developed over a period of over half a century. The proportionality among the various rates is reasonable. The equitable way to increase fares is across-the-board with all fares increasing by the same percentage.

All fares need to be increased by approximately 15%, rounding up if on the half dollar and down if less than the half dollar. Making coin change aboard the ferry would be time consuming in an era when people want the ferry to operate faster.

Vehicle fare would increase from \$13 to \$15 per round trip. Last increase was in 2019 from \$12 to \$13.

Passenger fare would increase from \$4 to \$5 per round trip. Last increase was in 2008 from \$3 to \$4.



Bicycle fare would increase from \$6 to \$7 per round trip. This is the first increase in bicycle fares requested during our 15 year ownership.

With the exception of nominal increases for vehicles which cause excessive wear and tear to the ferry, commercial vehicle and equipment fares have remained unchanged for over a decade and a half. Although roughly 60 commercial fare categories exist, there are only 18 fare levels. The amounts currently listed on the Chappy Ferry website would increase specifically as follows, represented here as current \$ value to proposed \$ value (for example a \$4 fare would increase to a \$5 fare, shown as 4 to 5): 4 to 5, 10 to 12, 15 to 17, 20 to 23, 25 to 29, 30 to 35, 40 to 46, 45 to 52, 50 to 58, 55 to 63, 59 to 68, 60 to 69, 65 to 75, 70 to 81, 75 to 86, 80 to 92, 100 to 115, 150 to 173.

The regular discount book round trip vehicle fare (blue ticket) would increase from \$10 to \$11.50. The book price would increase from \$200 to \$230.

The regular discount book round trip passenger fare (pink ticket) would increase from \$3 to \$3.45. The book price would increase from \$125 to \$145.

The last increase in regular discount book vehicle fare was October 2019 when the round trip fare increased from \$9 to \$10. The rate increase previous to that was 4 years earlier.

The regular discount book passenger round trip remained at \$3.00. The previous rate increase was 3 years earlier.

The regular discount books are available for purchase and use by anyone.

The Chappy year-rounder discount book round trip vehicle fare (orange ticket) would increase from \$5 to \$5.80. The book price would increase from \$125 to \$145.

The Chappy year-rounder discount book round trip passenger fare (green ticket) would increase from \$1.50 to \$1.73. The book price would increase from \$75 to \$86.

The Chappy year-rounder discount books are available for purchase and use by Chappy year-rounders meeting the requirements of the current year-rounder program.

This across-the-board rate increase will enable the ferry company to afford to add people to the current Chappy year-rounder program, which was instituted half a century ago to ease the burden on the fewer than a dozen households that lived on Chappy year-round then and depended upon the ferry to get to work 5 days a week. There are currently more than 150 people benefiting from this subsidy program.

The last increase in Chappy year-rounder discount book prices was October 2019 when the year-rounder car and driver's rate increased from \$4 to \$5 round trip. The year-rounder passenger rate was increased from \$1 to \$1.50 round trip. The 2019 increase brought the year-rounder rate back up to the traditional relationship of 50 percent of the regular discount book rate. Between 2015 and 2019 the year-rounder rate had been 44% of the regular vehicle discount and 33% of the regular passenger discount. The rate increase previous to the 2019 increase was 5 years earlier.

Traditionally, discount book prices are increased without notice to prevent hoarding of the books. When, in anticipation of an increase, multiple books are purchased by those that can afford to, the result will be that those that can't afford to buy multiple books, unfairly pay more of the fare increase. With the suspension of this traditional safeguard by announcing a pending increase in discount fares, the ferry cannot be responsible for insuring that discount book purchasers be considerate of their neighbors.

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