

TOWN OF NORTH HAVEN
Board of Selectmen
May 16, 2017
4:00 p.m.

Minutes

SELECTMEN PRESENT: Jonathan Demmons (Chair), Stacy Beverage (Vice Chair), Linda Darling, Jerry White, Alex Curtis

TOWN ADMINISTRATOR: Joe Stone

AVAILABLE: TAX COLLECTOR, Janice Hopkins

ABSENT: TREASURER, Joette Adams

ALSO PRESENT: Dale Doughty & Rick Dubois (MDOT), Jon Emerson, Doug Stone, Barney Hallowell

1. Jonathan Demmons called the Meeting to order at 4:00 PM

2. **Motion to approve the Minutes of May 9, 2017**

Made by Beverage, seconded by Darling

Approved 5-0-0

Motion to approve Minutes of Special Meeting of May 12, 2017

Made by Beverage, seconded by Darling

Approved 3-0-2

3. **Public Comment** – None

4. **Treasurer's Report**

a. Approval of Bills, Warrants, Payroll Journals and Journal Entries:

Warrant # 20	in the amount of	\$230,924.83
Warrant # 19-A	in the amount of	\$11,419.72
Payroll Warrant # 19	in the amount of	\$21,896.40
Payroll Warrant # 19-A	in the amount of	\$3,353.55
Sewer Warrant # 11	in the amount of	\$13,718.17

Motion to approve Bills, Warrants, Payroll Journals and Journal Entries

Made by Darling, seconded by White

Approved 5-0-0

5. **Correspondence:** None

6. **Reports:**

a. Administrator:

i. Clinic

1. Downstairs lavatory: work now complete

2. Seacoast Security smoke alarm installation to be evaluated when we know the full costs of the renovation of the patient lavatory and the repair of the lab area (no update)

ii. Sewer Department:

1. The first monthly construction progress meeting occurred this morning. The electrical contractor is now on site. Assuming some components

arrive in early June, the project should be complete by the middle of the month.

- iii. Water Department:
 - 1. No update
- iv. Bartlett's Harbor
 - 1. No update.
- v. Ferry Service:
 - 1. See below
 - 2. Clinic is coordinating its first use of the lockbox with courier service
- vi. Transfer Station
 - 1. Stone plans to meet with TS manager Cooper to discuss electronics removal (no update)
- vii. Floats & Docks
 - 1. Board concurred that the tow bar on the new ramp should be retained and the cost included in the transport and installation cost.
 - 2. Tammy Brown had located a copy of the 1998 Richards/Cranston survey on which the 2010 Boundary Line Agreement and the Town's purchase of the PH parking area from the Lamonts are based. The NE boundary of the easement is, for practical purposes, defined by the stones edging the parking area. Most of the area of the easement lies towards the SW along the narrow bank between the road and the mid-tide line.
- viii. Roads & Bridges:
 - 1. Hagar Enterprises was not successful in lining up sufficient transport to repave the PH Rd (between the bridge and the Grange) and the eastern portion of the W.District Rd. this week. The repaving is tentatively rescheduled for the first week of June.
 - 2. PH Bridge: deck has been paved. Railings are coming.
- ix. Town Properties
 - 1. Ball field backstop still needs to be erected. No Update
 - 2. Awaiting proposal from Par Masonry on chimney repair at Town Office
 - 3. A response to a second mowing RFB is due on Thursday. Meanwhile, Phil Marquis has provisionally committed to mowing the properties which did not receive a proposal from the first RFB.
- x. Legal
 - 1. Wolfram/Nebo: no ruling expected for several months
- xi. Planning Board
 - 1. No update
- xii. Sheriff's Dept:

Date	Incident	Deputy
5/14	Theft	Potter

7. Old Business:

a. MSFS/MDOT:

- i. Dale Doughty, MDOT Director of Maintenance and Operations and Rick Dubois, Director of Multimodal Operations, had asked to be present as a stop in their intended tour of each of the islands served by the MSFS to discuss the need for a fare increase and to obtain feedback from the affected islands on how best to minimize the financial impact and to distribute the burden most equitably between residents and non-residents and among the served islands themselves.

Dubois had updated the fare scenarios (which had been distributed at the two special FSAB meetings in April) to include a fixed surcharge version on the current system of mainland/island fares to reach the needed additional \$700K in revenue, as well as 4 month, 5 month and 6 month high season/low season versions. The scenarios attempted to test the financial impact of each of these seasonal variations on a vehicle with passenger traveling once a month, biweekly and weekly. (And again with a vehicle, passenger and two children.) Since the additional revenues sought by the MSFS are about 15% higher than what is currently generated, 15% is a benchmark against which to test the increases residents could expect under various usage scenarios.

While none of the Select Board members or local guests could possibly describe a “typical” scenario for ferry use, they did note two flaws in the approach the MSFS was using to assess the financial impact. The first is the belief that a 4, 5 or 6 month high season “exports” the cost of the fare increase largely to non-residents. Anecdotal evidence and personal experience provided by Select Board members and the local members of the public who were present describe a different pattern of resident use of the ferry to the low/high season models on which the MSFS/MDOT is basing its case. The local model would divide usage into winter, two “shoulder seasons” and a six to eight week mid-summer high season. Island residents, when they have a choice, tend to cluster mainland trips in the “shoulder seasons”. Lower winter fares alone would not be much of an inducement to residents to use the ferry more often in the deep winter months and therefore are not likely to significantly offset or lower a disproportionate annual increase in ferry expense for island residents who are using it in the shoulder season. Midsummer congestion and fear of not getting a vehicle on or off the island, tend to encourage residents to try to avoid ferry trips during that period as well. A 4 to 6 month high season therefore would not only not “export” the fare increase to seasonal users, it would disproportionately affect residents whose ferry usage is concentrated just before and just after the tourist and summer resident season. Moreover, Stone noted that a 4 to 6 month high season would also affect the cost of basic consumer commodities such as propane and groceries. It is likely that as the additional transport costs are passed on to consumers, they would be embedded in the price of these commodities on a year-round basis, permanently raising the island cost of living. The same observation holds for anything imported to, or exported from, the island in much greater quantities in the high season such as building materials coming in or household waste and recyclables going off.

The second flaw is the fare disparity between Vinalhaven, Swan’s and North Haven fares on one side and Islesboro fares on the other. The relative ease and convenience Islesboro enjoys from nine trips a day are an argument for asking that service to bear more of the increase in fares than the VH, NH and SI group of islands. Matinicus notoriously is its own special case.

The MSFS/MDOT continued to make the argument that its Gateway ticketing software is overburdened by the current complexity of its fare structure. Board members asked skeptical questions on how substituting a low season/high season fare structure would be less complex than the current mainland/island rate differentials.

Doughty helped clarify how the MSFS reached its current predicament of needing to raise fares substantially in one year after having left them alone since 2009. The MSFS has had a relatively strong cash position in recent years. It is one state department which can roll its surplus forward from one fiscal year to the next. That cash position would have simply grown over the last several years if the MSFS had been routinely increasing fares without having to fund a concomitant regular growth in expenditure. It is difficult for one state agency to accumulate and protect a surplus from year to year before the legislature finds a way to divert it. Small annual increases since 2009 would not have been politically astute. Now, however, the cash cushion has finally begun shrink with higher operating expense. Moreover, the MSFS is also now looking to anticipate and finance more regular capital improvements to the aging fleet out of its operating budget.

Among the “takeaways” for the participants in today’s meeting were an increased awareness by the MSFS that given the way islanders use the ferry, a protracted high season would most likely result in annual ferry charges well in excess of the benchmark 15% and a sense that the subsidy enjoyed by one island is at the expense of the other islands.

The burden on the local participants is to assess whether a flat surcharge on the current mainland/island rates would have, as they suspect, the least financial impact on island residents and businesses. The MSFS/MDOT’s stated objectives are to raise the additional revenues and to achieve greater efficiency while maintaining service. Its representatives stated their openness to achieving these goals in ways that enjoy the widest acceptance by island residents.

8. **New Business:** None
9. **Other:** Stone was asked to find out whether there is a problem with electric service at the PH dock

Motion to adjourn at 6:20

Made by Darling, seconded by Beverage

Approved 5-0-0