

Dukes County Commission (DCC)
Meeting Minutes
Wednesday, October 21, 2020
4:00 PM
REMOTE PARTICIPATION ONLY

Dukes County Commissioners Present: Tristan Israel – Chairman, Christine Todd – Vice Chair, John Cahill, Keith Chatinover, Donald Leopold, and Leon Brathwaite*. [* arrived late]

Other County Officials Present: Martina Thornton – County Manager, Ann Metcalf – Dukes County Treasurer, and Paulo DeOliveira – Register of Deeds.

Others Present: James Malkin – Steamship Authority Governor, Geoff Freeman – Airport Commission Director, Bob Rosenbaum – Airport Commission Chair, Lucas Thors – MV Times, Aaron Wilson – Vineyard Gazette, Jennelle Gadowski, and R. Peter Wharton.

Tristan Israel called the meeting to order at 4:00 PM.

Minutes

Christine Todd made a motion to accept the Dukes County Commission's minutes of October 7 & 14, 2020 as presented. John Cahill seconded the motion. So voted. Keith Chatinover aye, Christine Todd aye, John Cahill aye, Donald Leopold aye, and Tristan Israel aye. Motion carries.

Steamship Authority (SSA) Report

Jim Malkin, Steamship Authority Governor, gave the DCC a presentation update on the Steamship Authority. Current data shows that September passenger traffic was down 15%, car traffic was up 11%, and truck traffic was down 4% from the prior year. The month of October to date passenger traffic was down 5%, car traffic was up 39%, and truck traffic was up 16% compared to prior year. Year to date shows passenger traffic is down 37%, car traffic is down 17%, and truck traffic is down 17% compared the prior year. The originally forecasted operating deficit of \$60 million, based on TRAFFIC levels in March and April, is now estimated to be \$10-12.5 million based upon the vehicles booked through the end of the year. The Commonwealth of Massachusetts has agreed to fund the operating deficit if and when it appears. Governor Baker has already signed legislature to do so. Between January and August 2018 there were 576 mechanical cancellations, while in that same span of months in 2019 there were 10. Comparatively in January to August 2020, there have been 12 mechanical cancellations. There is a consistency of service issue this year due to COVID-19. Mechanical cancellations mean that the trip did not occur because a boat could not fill in for the out of service boat.

The 2021 Operating Budget assumptions baseline for revenues is actual traffic statistics March 2019 – February 2020 (12 months pre-COVID) to eliminate the catastrophic March and April months. Assumes 90% of passengers carried and cars parked. Assumes 100% of vehicle traffic (passenger cars and freight). Patterns follow 2020 experience in late summer and fall. Operating budget is based on the 2020 budget with no material changed other than maintenance costs. The bottom line for the 2021 Budget is \$112,437,440 in operating revenues, \$112,688,546 in operating expenses, \$2,752,923 in other income, \$3,879,419 in other expenses, which creates a net income from operations loss of \$1,377,602. Under enabling legislation, the SSA is not allowed to present a budget that is at an operating loss or hold more than 2 months of cash on hand. Instead they are encouraged to present a budget with a \$7 or 8 million operating profit so

as to provide an extra 2 months of cash for ferry needs. The bottom line for the Vineyard route is as follows:

- Excursion rates have a proposed adjustment of \$2.50-3.50 one-way for additional revenue of \$500,000.
- Standard fare rates for vehicles under 20' in length have a proposed adjustment of \$4.00-6.00 one-way and \$15.00 peak Fri-Sun for additional revenue of \$2,500,000.
- Fare rates for vehicles 20' in length and over have a proposed adjustment of 7.0% for additional revenue of \$750,000.
- Passenger fares have a proposed adjustment of \$1.00 single ticket, \$8.00 10-ride, and \$17.00 46-ride for additional revenue of \$1,600,000.
- Parking permits have a proposed adjustment of \$50 for additional revenue of \$85,000.

Round-trip fare originating from the Island has a return ticket available for 31 days after first segment. Round trip rate includes two adult tickets and two child tickets. Typically, when either the auto rate or passenger rate increases, there is a corresponding increase to excursion fare. The proposed increases reflect *only* the automobile rate increase, not the passenger increase. Cost of excursion fare is approximately a 75% discount off standard fare. The proposed 2021 allocation of rate adjustments are 28% passengers, 20% standard fare, 20% trucks over 20 feet, 19% standard fare premium (Fri-Sun), 8% excursion fare, and 5% miscellaneous.

Flatline expenses were reviewed, specifically staffing and there was found to be an excess beyond the Coast Guard's minimum requirement for staffing levels. A majority of the vessels are at Coast Guard minimums. The older freight boats have a Chief Engineer, which is not required, but very important to be there to assist with operation and maintenance as they may arise.

Capital projects were also reviewed and an older project (before Jim Malkin's appointment) is to reduce the size of Woods Hole Terminal because it cannot stay as is due to being in a flood zone. The reworked design is a single-story building with the same square footage as the existing temporary building. The SSA capital is outside of the operating expenses.

There was a cutback in some maintenance costs that were not involved in keeping the boats running. Mark Amundsen, Director of Marine Operations, felt as though certain projects could be put off without jeopardizing the safety or integrity of the vessels. The funds for the projects have been kept in the budget for later. Costs were covered with better than expected revenue.

Jim Malkin was asked to provide data on the rate increase by truck size, date of the last rate increase for trucks, and the amount of money being allocated for additional staff the Coast Guard is not requiring. He said that he will inquire about those answers and report back. The DCC thanked him for his efforts and asked for another update next month.

Appointments Before End of Year

The position of Martha's Vineyard Commission (MVC) representative is soon going to be eligible for appointing. This position has historically been filled in-house and has never been advertised. The current representative is Christine Todd who said she is comfortable continuing in the role and wishes to see the current projects through to completion. There was discussion about possibly advertising for the position. It was decided to wait until the November 4th meeting to vote on this matter since Leon Brathwaite was not in attendance for this discussion.

There was a letter of recommendation from the Retirement Board to reappoint the same candidate for the Dukes County Retirement System. When asked, Martina suggested to comply with the request as there is a big learning curve with the position and the Board is currently working well together. It was decided to wait until the December 2nd meeting to vote on this matter since Leon Brathwaite was not in attendance for this discussion.

The plan is to advertise for the March 2021 appointments in December 2019 with a follow up in January 2021. The DCC Communications Committee will draft a Letter to the Editor advertising for the appointment.

FY2022 Budget

Ann Metcalf, Dukes County Treasurer, gave a report on the FY2022 Budget. The Other Post-Employment Benefits (OPEB) unfunded liability between Dukes County and the Martha's Vineyard Airport/Dukes County Retirement was assessed. The OPEB actuary, KMS Actuaries, currently does not provide an OPEB assessment schedule to determine what the projected annual payment would be to fund this liability over 30 years. A quote from the Actuary to create an assessment schedule, was requested and is said to cost \$500. The overall total OPEB unfunded actuarial accrued liability is \$10,965,155. Of the 33.04% (\$3,623,193) total for Dukes County, 28% (\$3,112,132) is for County employees, 3% (\$276,583) is Senior Services, and 2% (\$234,478) is Vineyard Health Care. The Airport's total unfunded actuarial accrued liability is 57% (\$6,303,843). The Dukes County Retirement total unfunded actuarial accrued liability is 9% (\$1,038,119). The OPEB representative, Mr. O'Hara, could not attend the meeting but has been invited to the next meeting. However in communications with Martina via email he said that the money that has been put into the trust is doing well and has good returns. He urged that if there is money in budget to contribute, to do so. The earlier you put in, the more it will grow over time. There was a brief discussion about the level of OPEB contributions from the Airport over the years. Bob Rosenbaum, Airport Commission Chair, reported that the Airport has not budgeted OPEB for this fiscal year as it is not an expense, they can afford due to COVID-19. Their bond rate is 0.65%. Geoff Freeman, Airport Commission Director, said that it will be taken under review with every budget cycle. **Leon Brathwaite made a motion to expend \$500 for the Actuary to determine the liability moving forward. Donald Leopold seconded the motion. So voted. Keith Chatinover no, Christine Todd no, John Cahill no, Leon Brathwaite aye, Donald Leopold aye, and Tristan Israel aye. Motion ties so it does not pass.**

The budget cover sheet shows that after everything is said and done there is a surplus of \$671. The differences in the previous and revised budget are increased projection of \$210,000 for Deeds Excise Tax. This is because the insurance increased the original budget by \$9,000. Courthouse insurance represents 63% of premium for property insurance. No matter how many employees there are the premium for Employee Practice and Cyber Insurance stays the same after the audit. Instead of coming up with a new formula every year, it was decided to pay the premium from the Department for Miscellaneous Expenses, which is the same department that the audit is being paid from. The Martha's Vineyard Airport has their own insurance. Cost-of-living adjustments (COLA) for employees is 0.75% and is based on all of the town's 2021 COLA's. **Christine Todd made a motion to approve the budget [which will go to County Advisory Board for final approval]. John Cahill seconded the motion. So voted. Donald Leopold aye, Keith Chatinover aye, Christine Todd aye, Leon Brathwaite aye, John Cahill aye, and Tristan Israel aye. Motion carries.**

Manager's Report

Martina Thornton, Dukes County Manager, reported having new temporary help, Philip Luna, that began as of October 21, 2020. The CACCI contract is being finalized for Cares Act funds for Dukes County Social Services. The current social services case worker, Melissa, is leaving for personal reasons in January 2021. The process of seeking her replacement started already. There will be an overlap in training before she leaves. Social services deal with assistance for mental/emotional health, food stamps, unemployment, fuel assistance, and much

more. Christine Todd asked to see if Melissa has been an increase in traffic to social services office.

The need for more efficient communications between the County and the public was discussed. There is a Dukes County Health & Human Services newsletter that has been sent out for the past year now. However, the person who was in charge of creating them is no longer available and thus it has fallen on Martina and Sarah Kuh who are very busy as it is. Department 1400: Economic Development from the License plate funds has \$18,000 available to be used for economic development and tourism and could potentially pay for this part-time position.

Christine Todd made a motion to use the available funds from Economic Development to hire a part time communications employee. Keith Chatinover seconded the motion. So voted. Leon Brathwaite yes, Christine Todd aye, Donald Leopold aye, John Cahill aye, Keith Chatinover aye, and Tristan Israel aye. Donald Leopold volunteered to draft a job description, qualifications, and charter for this new position with Martina Thornton.

Old Business

Donald Leopold gave a presentation on the Airport-Treasurer Allocation of Overhead. Leon and Don met with Ann on Monday, October 18, 2020 to better understand opportunities to ensure accuracy and fairness of allocations of Dukes County Treasurer's Office to Martha's Vineyard Airport. The Treasurer's Office currently allocates two types of expense to the Airport—direct expenses (deposits, Accounts Payable, employee salaries and benefits, etc.) and indirect expenses (primarily Ann's time spent on Airport matters). There are opportunities to improve the accuracy of those allocations based on three factors—out of date methods of calculating costs (e.g./ Accounts Payable by height in inches of invoices to be paid); process improvements which may have reduced the overall expense of certain direct activities; and additional Airport staff which may have reduced requirements on time of Treasurer's staff. Direct expenses, primarily of Ann's time, have proven to be highly variable and therefore difficult to project, varying by unanticipated projects and variable needs of Airport staff. Potential changes are to determine more appropriate methods of accounting for costs such as A/P; reflect reduced Treasurer's costs from work redistribution to Airport staff; discuss with the new Airport Director potential needs from Treasurer's Office; and consider in-year adjustment to allocation based on periodic expenditures and forecasts. The next steps for Ann are to recommend new measures of indirect costs; quantify savings from process improvements to be reflected in propose allocations; and re-visit the distribution of work between Airport and Treasurer staff. Geoff and Ann will meet soon to determine a new structure moving forward. Unrelated to the Airport, the Treasurer estimates that the office currently performs services costing +/- \$13,000 (approximately 0.5% of the budget) which are attributable but not allocated to specific entities such as parking clerk after 8:30-12:30 service hours; Cape Cod Municipal Health Group; Land Bank; Trustees OSV permits and telephone answering; water testing; payroll benefit processing (Colonial Life and County Group Life); and fishing and deer permits.

New Business

John Cahill mentioned the need for DCC to understand and learn from the Martha's Vineyard Diversity Coalition (MVDC). Representatives from MVDC will be invited to the next meeting on November 4th.

Martina Thornton received a request from the MV Mediation Group. They are applying to the Permeant Endowment Fund to support their diversity initiatives, work closer with, and offer their services to the Brazilian Portuguese community.

Keith Chatinover made a motion to send a letter of support for MV mediation Group. Christine Todd seconded the motion. So voted. John Cahill aye, Leon Brathwaite aye, Donald Leopold aye, Christine Todd aye, Keith Chatinover aye, and Israel aye. Motion carries.

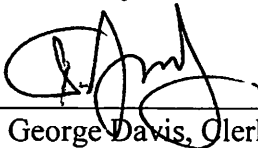
Tristan Israel gave some brief updates such as the efforts being done to create a homeless shelter. Julian Cyr and Dylan Fernandez were supposed to meet with the Department of Conservation and Recreation regarding the Manuel F. Correllus State Forest, but that meeting was postponed. As the DCC representative on the Martha's Vineyard Commission Transportation Improvement Program (TIP) Committee, Tristan also reported that in the meetings they have endorsed a plan for bike paths, charging stations in West Tisbury, and bus charging stations in Edgartown. The Edgartown meeting regarding the Edgartown charging station has been postponed.

Leon Brathwaite made a motion to adjourn the meeting. Christine Todd seconded the motion. So voted. Leon Brathwaite aye, Keith Chatinover aye, Christine Todd aye, Donald Leopold aye, John Cahill aye, and Tristan Israel aye. Motion carries.

The Dukes County Commission meeting was adjourned at 6:09 PM.

The next Dukes County Commissioners Meeting is on Wednesday, November 4, 2020 at 4:00 PM.

Certified by:



T. George Davis, Clerk of Courts

Documents presented at the meeting and part of the official record:

- Meeting Agenda
- Meeting Minutes for October 7, 2020 & October 14, 2020
- Steamship Authority Presentation
- OPEB Unfunded Actuarial Accrued Liability Breakdown by Unit for DCC
- Dukes County FY22 Budget Summary
- Airport-Treasurer Allocation Discussion Presentation