

**Tisbury Finance and Advisory Committee
in Joint Meeting with the
Oak Bluffs Finance and Advisory SubCommittee on
Embarkation Fees
4:00PM, Thursday, October 13, 2022
Meeting Room at Oak Bluffs Town Hall and
by Zoom Cloud Conference**

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Present: Chair Nancy Gilfoy, Louise Clough, Jynell Kristal,
OB FinCom Subcom: Chair Sherry Countryman, Richard Weiss,
Others: Recorder – Marni Lipke,
Towns: Tisbury – Select Board & Port Council – John Cahill,
Embarkation – Jynell Kristal,
Town Administrator – Jay Grande, Treasurer – Jonathan Snyder,
Oak Bluffs – Select Board – Ryan Ruley, Port Council – Joe Sollito,
FinCom – Sherry Countryman, Maura McGroarty, Richard Weiss,
SSA: Board – Jim Malkin, Counsel – Steven Sayers,
* TFC members late arrivals or early departures.

Call Meeting to Order

• The meeting was called to order. (*Recorder's note: Discussion is summarized and grouped for clarity and brevity.*)

Embarkation Fee Discussion

- Everyone introduced themselves. Counsel for the Steamship Authority (SSA) Steven Sayers helped develop the original Legislation.
- The Oak Bluffs (OB) Finance and Advisory (FinCom) Subcommittee was working on embarkation fee issues. In preliminary meetings, Senator Julian Cyr's office requested consensus among Massachusetts port towns (e.g. regional ports – OB, Tisbury, Hyannis, New Bedford and Falmouth). The Subcommittee put forward the following requests:
 - raise the 50¢ fee, set when the legislation was introduced 19 years ago,
 - include an escalator (to codify future fee modification), and
 - expand determined use, to fund Town infrastructure, roads, etc.
- Although the SSA was willing to give whatever information might be useful and would not obstruct town action, this was a town rather than an SSA issue. SSA Board Member Jim Malkin met weekly with the Martha's Vineyard Port Council to work on SSA strategic issues:
 - service reliability,
 - better communications and
 - cost efficiency.

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- Embarkation structure was explained as follows.
 - Fees were set by passenger and not car in order to collect from all ferries, whether car or passenger ferries—Hyline, SeaStreak, Island Queen, etc. Passengers were much more numerous than cars, with crowds overwhelming the ports. (The SSA was aware of car volume problems on the Islands and had not increased capacity in 5 years.)
 - Although there was some language flexibility in the Bill, as a fee ‘determined use’ was constitutionally restricted to pay for services specific to the item, in this case to mitigate the impact of ferries on the towns. A tax was required to: be proportionate to taxpayers and to be spent in proportion to individual use—requiring Island residents also be taxed.
 - Tisbury had the model process: an Embarkation Committee to examine and recommend usage (ambulance, police, harbor dredging, etc.), which was then voted at Town Meetings.
 - As a fee there was a gray area around the residential and commuter exclusion/discount, since fees must be universal. Public opinion and legal precedent upheld the current practice but it was vulnerable to discriminatory pricing/unfair practices lawsuit challenges. Consequently the Legislature was extremely careful on whom it imposed the fee and what it could be used for.
- The only other example of embarkation fees/taxes was in the Caribbean. The fee conferred payment for some expenses of the Nantucket and Martha's Vineyard tourist driven economies.
 - In 1977-78 Tisbury negotiated with the SSA to compensate it \$30,000 per year for traffic control expenses which was replaced by the embarkation fee, which had a Tisbury annual total of ~ \$250-300,000.
 - The Bill was last amended in 2004. A 2016-17 extra charge to help pay for the Martha's Vineyard Regional High School (MVRHS) renovation and Other Post Employee Benefits (OPEB) liability was unsuccessful and Counsel avoided addressing the above issues.
 - Barnstable Port Council recently submitted a 25¢ increase amendment. Hyannis split its embarkation revenue between Barnstable and Yarmouth.
 - This was the only ferry service in the in the country totally reliant on passenger/car charges, which was mandated by the Steamship Authority enabling act. Other transportation fees such as turnpike tolls depended on the construction/ownership source.
- General advice was that, with the consensus of all port towns, doubling the fee to \$1.00 would be a reasonably straightforward matter that might be approved in this session. However, reopening the legislation for other issues (an escalator, expanding spending restrictions, allowing each town to set its fee, etc.) was likely to be very risky and prolonged.

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- Despite social media chatter, raising the fee more than \$1.00 was not advised because the 100% increase could be justified by the 60% Consumer Price Index (CPI) rise since 2002-3. (Recently the Tisbury Finance Director proposed a 4-5 year future bonding increase which was resoundingly rejected.)
- The fee was beneficial to all port communities and a universal increase was more likely to pass.
- Port and SSA Councils repeatedly emphasized:
 - ° simple numeric doubling as a most expeditious path of least resistance;
 - ° the dangers of re-opening the Legislation, resulting in delayed action as well as the possible loss of discount and excursion pricing;
 - ° crucial guidance of State representatives (Senator Cyr, Representative Dylan Fernandes, Representative Kip Diggs, etc.);
 - ° communication with and consensus of all Massachusetts ports.
- A meeting between legislators and Martha's Vineyard ports would be kept small to expedite matters.
 - Town Administrator Jay Grande thanked everyone for this useful information. Everyone exchanged thanks for time and attendance.

Public Comments – None

Adjournment

- *THE MEETING ADJOURNED AT 4:49PM.*

Appendix A: Meetings/Events:

- **TFC – 6:30PM, Wednesday, October 19, 2022 – Sr. Center**
- **OB and Tis. FinCom Chairs with State Reps – Monday, October 24, 2022**

Appendix B: Actions - None

Appendix C: Documents on File:

- Agenda 10/13/22

Nancy Gilfoy – Chair

Date

Minutes approved as amended 1/25/23