

Minutes of the Meeting of the Board of Commissioners  
Fishers Island Ferry District  
August 16, 2013

A Meeting of the Board of Commissioners of the Fishers Island Ferry District (the "Ferry District") was called to order on August 16, 2013 at 4:30 pm by Commissioner Edwards at the Fishers Island Community Center.

Present were Commissioners Cook, Edwards, Rafferty, and Rugg. Also present were Manager Donald Lamb, Assistant Manager Gordon Murphy, Jane Ahrens and four members of the public.

Mr. Lamb asked Commissioner Edwards to chair the meeting. Commissioner Edwards opened the meeting and declared a quorum present. Everyone in attendance pledged allegiance to the flag.

**Public Comment:**

None

**Correspondence:**

Mr. Lamb read a thank you letter he received from Town of Southold Supervisor Scott Russell, "On behalf of the Southold Town Board and all of our guests attending the annual Fishers Island Town Board Meeting, sincere thanks for your hospitality and for the use of the ferry. The cooperation extended to us by you and your entire staff is very much appreciated. It has been a pleasure dealing with everyone involved with the ferry district."

**Review of Meetings and Minutes:**

Approval of the minutes of the meeting held on August 6, 2013 were tabled to the next meeting on September 3 and will include the edits submitted by Commissioner Rugg.

**Warrants:**

A list of outstanding obligations of the Ferry District was received and discussed. All invoices were declared to abide by Procurement Policy. At the conclusion of the discussion, a resolution was made to pay the outstanding obligation totaling \$71,344.06.

MOVED by: Commissioner Rafferty

SECONDED by: Commissioner Rugg

AYES: All

NAYES: None

**Manager's Report:**

**1. Board of Commissioners (BOC) Election**

Mr. Lamb reviewed the election results from the BOC Election held August 13, 2013. Commissioner Peter Rugg was elected to serve a 5-year term and Commissioner Harold Cook was elected to serve a 4 or 3-year term. Commissioner Cook selected to serve the 4-year term.

**2. Fifth Board Seat**

Mr. Lamb reported that the Town of Southold's Comptroller believes the Town selects the Commissioner to serve the 3-year term, while the Ferry District Commissioners understand that they, the Ferry District Commissioners select this individual. Mr. Lamb will consult legal counsel.

### **3. Supplemental North Ramp Work**

Mr. Lamb reported that supplemental work has been done on the North Ramp to replace the storm drainpipe that runs into Silver Eel Cove. Commissioner Edwards asked that Mr. Lamb find out who is responsible for the drains (perhaps the Town of Southold) with regard to replacement payment.

Mattern returned to complete certain items on the north ramp project including cutting the counter weight tower cross-beam back. Mr. Lamb will discuss with GNCB to determine if it was a design flaw.

Commissioner Cook asked if there had been any complaints about the new ramp and Mr. Lamb confirmed there had been none.

### **4. 2014 Draft Budget**

This presentation was to be held at the Annual Meeting commencing at 6:00 pm August 16, 2013.

#### **Other:**

#### **1. Resolution on Pre-Approval of Health Benefit Payments**

This was moved to the next meeting pending the writing of the resolution draft to allow Oxford Health benefit payments to be made monthly based on the contractual arrangement with the Ferry District, regardless if a Commissioners meeting was held to approve the Warrants which this payment would be included in.

Mr. Lamb asked if this resolution draft would look the same as the current bi-weekly payroll resolution. A draft will be presented at the September 3, 2013 Commissioners' meeting.

#### **2. Audit Review Presented by O'Connor Davies LP**

Marcia Marien, CPA and Partner in O'Conner Davies presented the 2013 draft Auditor's Report,

#### Questions:

Q. Commissioner Cook asked how depreciation is determined and how to estimate the life of a property.

A. Ms. Marien explained that any asset fits into a pre-determined category and the laws determine the depreciation time frame.

Q. Ms. Shillo asked about the long-term bonds, while not recommending a change.

A. Ms. Marien reported that the Town of Southold's Comptroller, John Cushman, makes these decisions on behalf of the Town, including the Ferry District, and solicits the Ferry District regarding additional principal payments and short-term long-term reallocations.

Commissioner Edwards thanked Ms. Marien for the Audit review and presentation.

#### **Executive Session:**

#### **Entering Executive Session:**

At 5:30 pm the following resolution was proposed:

The Board of Commissioners, RESOLVED, that the meeting be adjourned into Executive Session for the purpose of discussing the potential litigation with a former employee.

Proposed by Commissioner Rafferty

Seconded by Commissioner Edwards

AYES: All  
NAYS: None

**Exiting Executive Session:**

At 6:00 pm the following resolution was proposed:  
RESOLVED, that the Commission exit from Executive Session and resume Public Session.  
Proposed by Commissioner Rugg  
Seconded by Commissioner Rafferty  
AYES: All  
NAYS: None

6:00 pm, August 16, 2013  
Commissioner Edwards asked Mr. Lamb to present the 2014 Preliminary Budget.

Mr. Lamb welcomed the guests including Assistant Manager RJ Burns.

Mr. Lamb presented the Draft 2014 Operating Budget, attached as Exhibit A.

Mr. Lamb the aighlights for the last twelve months:

- Made 2,700 round trips
- Carried 117.6K passengers
- Carried 31K non-commercial vehicles
- Carried 80.8K freight items
- Carried 152K board feet of lumber
- Completed the North Ramp project – under budget
- Employ 55 full, part-time and seasonal staff
- The Munnatawket was built and purchased in 1978 (35 years of service)
- Tthe Race Point was put into serve in 1985, with 28 years of service.
- The Ferry District oversees Elizabeth Field airport, the community theater & 200 acres of property (developed and otherwise) for the Town of Southold

The proposed 2014 Budget totals \$3,526,939.49 of this, \$2,645,480.49 is designated to Ferry Operations. A further breakdown follows:

FERRY OPERATIONS, P.S.	\$1,262,119.00	Includes employee pay
FERRY REPAIRS	\$325,000.00	Includes Munnatawket into dry-dock
FERRY OPERATIONS	\$697,000.00	Includes Medical Insurance

Capital Fund Transfers includes the funds taken for North Ramp work and excess remaining will be returned to this fund.

The Ferry District does not expect many changes between this preliminary budget draft and the final that will be approved in October 2013 for the 2014 fiscal year.

Questions:

Ms. Shillo asked about the 2% projected revenue increase taking in to consideration the bike path and the Jeffrey's construction projects are complete.

Ms. Shillo asked about fuel costs. Mr. Lamb said they keep a close eye on those costs and have the option of running the less expensive Munnatawket.

Fuel:

2014 Budget	\$448,000
2013 Budget	\$444,000
2012 Actual	\$442,000

Ms. Shillo asked if the schedule calls to run more boats in the spring shoulder and Mr. Lamb reported the schedule has the same number of boats as 2013.

Ms. Shillo asked about the New York Retirement Benefit numbers from Mr. Cushman and Mr. Lamb confirmed they are based on what has been contributed.

Commissioner Rafferty asked Mr. Lamb to speak about the grant applications. Mr. Lamb reported he Ferry District is in the process of applying for appropriate grants ranging from \$50,000 to \$250,000 and the District is grateful to have the opportunity to be the beneficiary of any of these grants. They are not included in the Draft Budget as not funds have been allocated at this time.

The next meeting of the Fishers Island Ferry District will be held September 3 at 4:30 pm in the Community Center

**Meeting Adjournment:**

There being no further business to discuss, and on motion made by Commissioner Rafferty, seconded by Commissioner Rugg, and unanimously adopted, the meeting was adjourned at 6:35 pm.

MOVED by: Commissioner Rafferty  
SECONDED by: Commissioner Cook  
AYES: All  
NAYES: None

Exhibit A

Dept/Description	Actual 12/31/2011	Actual 12/31/2012	Actual 6/30/2013	Current Budget	2014 Proposed Budget
REAL PROPERTY TAXES	650,035.55	750,015.27	765,000.00	765,000.00	772,650.00
FERRY OPERATIONS	2,471,577.86	2,536,282.25	1,104,199.74	2,585,812.00	2,645,480.49
ELIZABETH AIRPORT	-	-	-	-	-
U. S. MAIL	26,912.88	27,516.43	13,884.92	28,000.00	28,000.00
THEATER	9,606.60	11,276.00	-	10,547.00	11,000.00
SERVICES OTHER GOVERNMENT	66,385.63	74,816.91	32,909.72	68,809.00	68,809.00
INTEREST AND EARNINGS	1,756.72	845.38	197.45	1,000.00	1,000.00
ATM COMMISSIONS	2,925.00	-	-	-	-
FORFEITURE OF BID DEPOSIT	-	-	-	-	-
INSURANCE RECOVERIES	24,930.53	-	-	-	-
REFUND PRIOR YR EXPENDITU	1,886.64	2,235.03	-	-	-
GIFTS AND DONATIONS	-	-	-	-	-
DOCK FEES	-	-	-	-	-
OTHER UNCLASSIFIED REVEN	2,298.30	2,020.00	137.14	-	-
NYS CAPITAL GRANT	5,763.47	-	971.72	-	-
CAPITAL GRANT FEDERAL GOV	187,915.00	1,350.00	16,140.96	-	-
FEMA AID-TRANSPORTATION	63,986.59	-	-	-	-
APPROPRIATED FUND BALANCE	-	-	-	281,669.00	-
TOTALS:	3,515,980.77	3,406,357.27	1,933,441.65	3,740,837.00	3,526,939.49

Dept/Description	Actual 12/31/2011	Actual 12/31/2012	Actual 6/30/2013	Current Budget	2014 Proposed Budget
ACCOUNTING & FINANCE,C.	79,111.91	90,862.73	1,958.25	35,000.00	30,000.00
LEGAL FEES AND FINES, C.	58,508.23	62,248.21	16,915.19	60,000.00	50,000.00
INSURANCE	73,142.53	101,024.21	7,890.43	76,129.00	81,968.49
PROPERTY TAX, C.E.	46,063.76	48,798.82	900.00	48,000.00	50,000.00
MTA PAYROLL TAX	4,060.03	1,776.67	347.32	4,291.00	4,300.00
AIRPORT CAPITAL OUTLAY	203,417.41	-	-	-	
ELIZABETH AIRPORT, C.E.	16,543.42	20,168.67	17,651.49	30,000.00	30,000.00
REPAIRS	50,307.20	89,838.08	40,194.43	80,000.00	98,000.00
FERRY OPERATIONS, P.S.	1,230,642.33	1,249,168.40	531,463.21	1,262,119.00	1,262,119.00
FERRY REPAIRS	164,564.49	223,938.50	135,180.26	200,000.00	325,000.00
FERRY OPERATIONS	650,037.08	673,969.43	241,239.63	672,500.00	697,000.00
OFFICE EXPENSE	7,224.49	13,007.80	7,094.11	12,000.00	14,000.00
COMMISSIONER FEES	6,100.00	7,750.00	1,350.00	7,500.00	7,500.00
U.S. MAIL	9,000.00	9,100.00	4,500.00	9,000.00	9,000.00
THEATER, C.E.	7,265.09	10,464.66	206.00	9,000.00	9,000.00
NYS RETIREMENT, BENEFIT	163,776.00	158,353.50	37,917.00	206,000.00	206,000.00
SOCIAL SECURITY, BENEFIT	89,762.47	93,738.28	39,909.90	96,552.00	96,552.00
UNEMPLOYMENT BENEFITS	6,372.50	10,956.02	-	20,000.00	5,000.00
MEDICAL INSURANCE, BENEFIT	142,608.31	184,786.85	78,379.79	200,000.00	200,000.00
SERIAL BOND PRINCIPAL	175,000.00	175,000.00	-	175,000.00	175,000.00
SERIAL BOND INTEREST	78,512.50	71,950.00	32,693.75	71,060.00	71,000.00
BAN PRINCIPAL	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
BAN INTEREST	7,254.79	4,742.29	2,193.89	5,500.00	5,500.00
CAPITAL FUND TRANSFERS	-	-	159,392.00	361,186.00	
TOTALS:	3,369,274.54	3,401,643.12	1,457,376.65	3,740,837.00	3,526,939.49