

# CHAPPY COMMUNITY FERRY

**Community Meeting  
Sat 17 August 2024 at Chappaquiddick Community Center**

## **Synopsis of Q&A and Comments**

1. **Question:** What is the role of the Town of Edgartown in providing transportation to Chappaquiddick Island? What is the Town's authority?

**Response:** The Select Board of Town of Edgartown has complete authority over the Chappy Ferry – it controls the license to operate.

### **CHAPPY FERRY LICENSE**

**LICENSING AUTHORITY – Select Board per:**

**Massachusetts General Laws**

**Part I - Administration of the Government**

**Title XIV - Public Ways and Works**

**Chapter 88 - Ferries, Canals and Public Landings**

- **Section 1 - Ferryman; License**

Section 1. The county commissioners may license for such time as they determine any suitable person to keep a ferry for hire, and may revoke such license when necessary. Each ferryman shall give to the state treasurer a bond with sufficient sureties for the faithful performance of his duty.

**As amended in 1962:**

**Acts and Resolves of the General Court of Massachusetts – 1962**

Chap. 534. AN ACT PROVIDING THAT THE SELECTMEN OF THE TOWN OF EDGARTOWN SHALL, AS RESPECTS THE CHAPPAQUIDDICK FERRY IN SAID TOWN, HAVE THE POWERS AND DUTIES WHICH ARE VESTED IN COUNTY COMMISSIONERS.

Be it enacted, etc., as follows:

The selectmen of the town of Edgartown shall, as respects the Chappaquiddick ferry in said town, have the powers and duties which are vested" in county commissioners under the provisions of sections one, two and six of chapter eighty-eight of the General Laws. . . .

Approved June 6, 1962.

### **2. Comment:**

The ferry service is crucial for emergency management in the community. The ferry is a first responder. Ferry captains and Peter Wells carry emergency pagers 24/7 alerting them to provide emergency service.

3. **Question:** Funding for the Climate Resiliency Project is a significant challenge. How is it funded?

**Response:** The Climate Resiliency Project of the Town of Edgartown is being addressed by a consultation with the engineering firm of Fuss & O'Neill. It is an extensive project that will presumably result in a major capital expense of raising the ferry landings on both sides and associated structures on the Edgartown side. The Town is responsible for the project design and funding.

Replacement of the current ferry vessels via proposed grants from the Federal Transit Administration as proposed by the CCF is independent of the Climate Resiliency Project.

4. **Question:** How did you determine the value of the Chappy Ferry, Inc.?

**Response:** We have not concluded on a fair value for the CFI in large part because of the significance of the cost and timing of replacing the ferrys. We are using an income approach to value the business whereby the purchaser will look to the future cash flows of the business to recoup their investment. We are not utilizing an asset approach based on our independent marine appraisal. We briefly talked about goodwill which could be associated with the license but this would be minimal as the license is of a short duration.

The future cash flows that we have been looking at are based primarily on historical cash flows and do not include additional costs of the new ferries such as interest expense, increased maintenance and payroll costs all of which would enter into the fair value. Given these variables we cannot come up with a range at this time that would be meaningful.

5. **Question:** How would the CCF finance purchase of the Chappy Ferry?

**Response:** Financing is unclear at present but would likely fall into two general categories: (i) purchase of the business and assets via bank loans, personal loans from residents and tax-exempt donations and (ii) contingent replacement of ferry vessels by sources outside the Town of Edgartown such as federal and state grants. As a resident or property owner on Chappy, you are a member of the nonprofit Chappy Community Ferry, Inc. so, if we are successful in purchasing the business, you will be able to vote for future boards of directors and have a voice in the Chappy Ferry but there is no financial obligation to you.

6. **Comment:** The decision between a for-profit and a nonprofit model requires further evaluation to determine the most efficient and sustainable option.

**Response:** Analysis of ownership models has been done by the Town's consultant, Marine Consulting Partners and presented to the Chappy Ferry Steering Committee on 17 July 2024. Their study seems to favor a nonprofit model over a for-profit or government (i.e., Town) model based on weighting criteria including transparency, service levels, flexibility, community accessibility and sustainability. The consultants also recommended considering a hybrid town-profit/nonprofit owner model.

Audience discussion wondered whether a for-profit model might be more efficient and sustainable in terms of operating costs which the CCF would dispute. The CCF would hire a full-time Executive Director (which is what nonprofits do) to organize and run the ferry business. This would be no different from a for-profit business hiring a General Manager. The Executive Director would report to the Board of Directors of the CCF who would be elected by the community as a whole and be truly representative of the needs and aspirations of the Chappaquiddick community. The BoD and its advisors would have the necessary expertise to provide oversight to the Executive Director. There is no reason to believe that the nonprofit business model would be any less efficient. Moreover, if there were any profits of the ferry business they would be reinvested in the ferry business and be transparent to the community.

The audience also wondered whether bigger boats might not be the solution, a proposal not made by the CCF in its presentation. Replacing the current ferries will require an engineering study to understand traffic demands and optimal ferry designs.

7. **Comment:** If the community supports the concept of community ownership of the Chappy Ferry by a nonprofit corporation, it should show that support by participating in town meetings and signing up on the CCF website. The town counts on the community not coming together which affects progress on many issues.
8. **Comment:** The CCF should give the same presentation to an upcoming meeting of the Chappy Ferry Steering Committee as a first step in bringing the nonprofit ownership proposal to the Town of Edgartown formally. We have requested being put on the agenda of an upcoming meeting.
9. **Comment:** Electric ferries are not a viable option at this time.

**Response:** There is no evidence to support that statement which would require an engineering study to determine its feasibility.