

# SUFFOLK COUNTY LEGISLATURE



**Robert Lipp**  
Director

## BUDGET REVIEW OFFICE

May 31, 2019

Honorable DuWayne Gregory, Presiding Officer, and  
Members of the Suffolk County Legislature  
William H. Rogers Legislature Building  
725 Veterans Memorial Highway  
Smithtown, New York 11787

Dear Legislators:

The attached report presents the Budget Review Office analysis of the financial and statistical data presented by South Ferry Company, Inc. in support of its petition for a rate increase in 2019. Procedural Motion No. 17-2019 authorizes the public hearings for the rate approval, and if adopted, Introductory Resolution No. 1534-2019 authorizes the requested rate increases.

The Budget Review Office conducted a thorough review of the certified and audited financial statements prepared by an accountant with satisfactory peer review status. South Ferry Company, Inc. last received a rate increase in 2012. The petitioner requests an increase in most fare categories; the average increase is 9.81%. Some round trip fares have been reduced as part of the restructuring of truck rates. The largest requested increase, of 100%, is for the non-resident passenger fare, which increases from \$1.00 to \$2.00. The largest dollar increase is for the one-way fare for a tank truck carrying more than 2,500 gallons. The casual traveler and commercial truck traffic continue to subsidize resident travel as they have historically, and as is typical for any ferry and bridge travelers; the petition raises resident rates, but raises casual traveler fares more.

The Budget Review Office recommends that the applicant's request for a rate increase be approved. Given the company's financial statements and projections, the rate increase is reasonable, especially given rising costs for fuel and personnel, and the continuous need for capital improvements to the vessels and landings.

Our summary of findings highlights those areas we believe to be most relevant and necessary for legislative deliberation. My staff and I are available should you have questions regarding this report.

Very truly yours,

Robert Lipp, Director  
Budget Review Office

Review of

**South Ferry Company, Inc.**

**Petition for 2019  
Rate Increase**

**May 31, 2019**

**Budget Review Office  
Suffolk County Legislature  
Hauppauge, New York 11788**

## **Analysis of South Ferry Company, Inc.**

### **Petition for Rate Alteration**

#### **Summary of Findings**

- South Ferry Co., Inc. continues to provide a vital transportation service in a professional manner between North Haven, NY and Shelter Island, NY.
- South Ferry Co., Inc.'s cash control system is sufficient to safeguard the company's assets and protect the public's interest.
- South Ferry Co., Inc. has complied with the provisions of Chapter 455 of the Suffolk County Code including submission of the required certified audited financial statements by an accountant providing proof of satisfactory peer review.
- South Ferry Co., Inc. filed a petition dated April 11, 2019 seeking an alteration to their rate schedule. The requested rate relief increases fares an average of 9.81%, and restructures truck rates to accommodate more vehicles below 22' in the standard truck rates.
- The proposed rate schedule reduces the number of fare categories to 10 from 16, with the intention of accommodating more trucks in standardized categories without a by-foot charge. The restructured rate schedule reduces some truck fares because of the restructuring.
- According to the audited financial statements submitted by the petitioner, a combination of rising costs and a need to assure safe and continuous service through capital improvements have resulted in decreasing profits and a loss in 2018.
- The rate relief should be granted, based on the 2018 operating loss, increasing costs of sales and the need to assure safe and continuous service through capital improvements.

### **Scope of Report**

All ferry service operators who transport passengers and/or freight across bodies of water within the boundaries of Suffolk County are required to obtain a license and rate approval from the Suffolk County Legislature in accordance with Chapter 455 of the Laws of Suffolk County, as authorized by Section 131-g of the Highway Law, Article 8 of the Navigation Law and Article 6 of the Transportation Corporations Law.

South Ferry Co., Inc. submitted a petition dated April 11, 2019 to the Suffolk County Legislature seeking authorization for an increase in its rates as provided for by Section 131-g of the New York State Highway Law and detailed in Introductory Resolution No. 1534-2019. The County Legislature is the governmental agency responsible for action on this request. The Budget Review Office is responsible for reviewing the application and presenting its findings in a report to the Legislature for their consideration.

The intent of the Suffolk County Ferry Law is to assure “continuous and adequate ferry service in Suffolk County”. The license granted by the County is not exclusive; non-exclusive licenses may be granted to as many service providers as it deems necessary.

Pursuant to Chapter 455 of the Laws of Suffolk County, applicants must submit audited financial statements for the previous two years of operation. South Ferry Co., Inc. has submitted audited financial statements and supplementary information for two years operations occurring from January 1, 2017 through December 31, 2018. Markowitz, Fenelon & Bank is the accounting firm that audited the financial statements. They have been peer reviewed within the last five years, in accordance with Chapter 455-3 (D) of the Suffolk County Code.

Audited financial statements are intended to provide an independent, competent, and objective presentation of operations. Any financial forecasts presented in this report are based upon assumptions of future events and should not be construed as facts.

The methodology used in our review includes an evaluation of the assumptions used in the applicant’s forecast of revenue and expenses and an analysis of the submitted financial statements and revenue projections, records of ridership volume, and comparisons with the current rates. We also toured the petitioner’s fixed place of business on Shelter Island, and the petitioner reviewed cash control procedures with us.

### **Analysis of South Ferry Company Incorporated**

The findings presented here are intended to aid the Legislature in its deliberations on the rate alterations requested by South Ferry Co., Inc.

### ***The Petition Seeking Rate Relief***

The petition submitted by South Ferry Co., Inc. dated April 11, 2019, indicates that the company is a for-profit transportation corporation organized under the Transportation Corporation Law of the State of New York. It has been and remains in good standing under the law and is authorized and licensed to operate a vehicle and passenger ferry between North Haven, New York and Shelter Island, New York. The petitioner is applying for alteration of its present fare structure as previously authorized via Resolution No. 557-2012, approved June 21, 2012. The current petition seeks to increase and restructure rates for most of the trips provided.

According to the April 2019 petition, the operating and capital needs of the Company have led the petitioner to request rate relief. The Company has stated that the rising costs for fuel, repairs, maintenance, healthcare, the cost of labor, and a need to assure safe and continuous service through capital improvements have outpaced revenue, resulting in financial losses in 2018.

South Ferry submitted a capital plan with the petition, proposing approximately \$4.5 million in various improvements to its vessels and sites, including a new large ferry boat for \$3.5 million, a new centralized maintenance building for \$430,000, a new dock at the Company’s East Landing for \$280,000, and electronic fare collection for \$160,000. The Company expects the new vessel to be delivered by the end of 2019. It expects to select a vendor and begin electronic fare collection by the end of 2020. South Ferry also submitted a summary of approximately \$2 million in capital improvements completed since the last fare increase, including \$840,000 on bulkhead and erosion control improvements (on both sides of the ferry route), \$450,000 for new vehicle ramps, and \$370,000 on ferry refitting and repowering. During BRO discussions with the Petitioner, they expressed an intent to create a capital fund specifically to address South Ferry’s ongoing capital needs.

The Company believes they will continue to suffer operating losses in 2019 and beyond without rate relief, and that the risk of decline in service quality without the planned capital improvements is significant enough to warrant the requested rate increase. As noted above, the most significant cost in the capital plan is for a new vessel, to expand the fleet to five total vessels, but to withdraw the smallest and oldest boat into a more limited role.

**Comparison of Current and Proposed Rates**

The following table illustrates proposed alterations to the ferry rates and fares as included in the current petition. Included below are rate changes that effect more than 80% of sales.

<b>PROPOSED FARE STRUCTURE—Selected Fares</b>			
<b>CATEGORY</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Percentage Change</b>
<b>Cars, vans &amp; 4-wheeled pickup trucks under 22'</b>			
<i>One way</i>	\$14.00	\$15.00	7.14%
<i>Round trip (same day)</i>	\$17.00	\$10.00	17.65%
<b>20 One-way round trip car book</b>			
<i>General public</i>	\$98.00	\$120.00	15.29%
<i>Shelter Island resident(*)</i>	\$60.00	\$65.00	8.33%
<b>10 One-way car book</b>			
<i>General public</i>	\$80.00	\$90.00	12.50%
<i>Shelter Island resident(*)</i>	\$57.00	REMOVED	N/A
<b>Workers commutation ticket(*)</b>			
<i>5-day</i>	\$25.00	\$27.00	8.00%
<i>6-day</i>	\$30.00	\$33.00	10.00%
<i>7-day</i>	\$36.00	REMOVED	N/A

## PROPOSED FARE STRUCTURE—Selected Fares

<u>CATEGORY</u>	<u>Current Fare</u>	<u>Proposed Fare</u>	<u>Percentage Change</u>
<b>Passengers</b>			
<b>In vehicles without a Shelter Island resident ticket</b>			
One way	\$1.00	\$2.00	100%
Round trip (same day)	\$2.00	\$3.00	50%
<b>30-trip passenger book (General Public)</b>	\$22.00	\$30.00	36.36%
<b>30-trip passenger book (Shelter Island Resident)</b>	\$15.00	\$15.00	0%

The average non-weighted rate increase for all fares is 9.81%. The maximum percentage increase is the 100% increase for the passenger charge for non-residents, which changes from \$1.00 to \$2.00. The largest dollar increase is to the round trip fare for trucks carrying more than 2,500 gallons, which increases by \$30, from \$50 to \$80. South Ferry's petition requests rates "not to exceed" the requested rates, to maintain some price flexibility.

The petitioner's proposed fare schedule has been simplified compared to the 2012 rate structure. The number of rate categories has been reduced to 10 from 16, and now includes by-size truck rates in addition to rates by length. The following table contains the proposed rates for the new truck categories.

## PROPOSED FARE STRUCTURE—Truck and Large Vehicle Fares

<u>CATEGORY</u>	<u>Previous Price Range</u>	<u>Proposed Fare</u>
<b>Small Truck</b>		
One way	\$14.00	\$15.00
Round trip (same day)	\$20.00	\$22.00
<b>Medium Truck</b>		
One way	\$40-\$75	\$45.00
Round trip (same day)	\$50-\$120	\$80.00
<b>Large Truck (includes Coach Busses)</b>		
One way	\$65-\$75	\$80.00
Round trip (same day)	\$120-\$150	\$130.00
<b>Extra-Large Truck</b>		
One way	\$70-\$80	\$90.00
Round trip (same day)	\$140-\$160	\$160.00

By-the-foot fares for fares now begin at 22 feet. The complete proposed rate schedule is contained in Appendix A.

### **Financial Statements**

South Ferry Co., Inc. submitted audited financial statements for the years ending December 31, 2017 and December 31, 2018. The financial statements were audited by Markowitz, Fenelon, and Bank, LLP; their last peer review was this year (2019).

The financial forecasts presented in this report are based on assumptions of future events and should not be construed as facts. During our review, we analyzed information we considered necessary and appropriate in evaluating the assumptions used in these forecasts. The assumptions may be affected favorably or unfavorably by future events. Therefore, the actual results achieved during the forecasted fiscal year may vary from the forecasted results.

The Company's most recent balance sheet for the year ended December 31, 2018 shows assets and liabilities of \$4,511,050. The assets consist of current assets, property, plant, and equipment (net of accumulated depreciation), and other assets including deferred taxes, construction in progress, investments, and life insurance. Fixed assets of property, plant, and equipment represent the majority of assets at approximately \$2.42 million.

Liabilities and stockholder equity consist of current liabilities, long-term liabilities and stockholder equity, of which the vast majority is mortgage notes payable of \$1 million, and retained earnings of a little over \$3 million since the last rate relief petition. While the company experienced a loss in 2018, based on their current ratio and cash on hand, the business appears to be in overall "good health".

The Statements of Income for South Ferry Co., Inc. show a net loss in 2018 of \$115,112, and a commensurate decrease in equity. Without rate relief, operating losses may be expected to continue in 2019, with greater annual losses in 2020 and beyond, even without continuing volatility in fuel prices.

### **Cash Controls**

South Ferry, Inc. continues to utilize the cash controls in place in 2008, when they last petitioned for rate relief, using a duplex ticketing system. The company also expects to add the ability to purchase tickets through a smartphone application in the next two years; these applications tend to increase an organization's ability to track sales more accurately. As in the previous review, cash controls were found to be sufficient to safeguard both the company's assets and the public's interest, given the size of the Company.

### **Introductory Resolutions 1534-2019 and Procedural Motion 17-2019**

As part of the rate setting process, one Introductory Resolution and one Procedural Motion are before the Legislature concerning South Ferry. Procedural Motion Resolution No. 17-2019 sets the public hearing for the granting of the rate alterations, and Introductory Resolution No. 1534-2019 approves the new rates. Introductory Resolution No. 1534-2019 contains the entire rate schedule for all fare categories including both the current and proposed rates for the rates the petitioner seeks to modify.

### **Conclusion and Recommendation**

Our analysis of South Ferry Co., Inc.'s petition for rate relief encompasses several perspectives. Rates should reasonably reflect costs without being excessive and should provide sufficient revenue for the business to be a going concern. BRO also compares proposed rates to other similar ferry operations, and to bridge tolls in the New York Metropolitan Area, given the Company's role as an extension of

a public road (NYS 114). The 2018 loss, despite a small increase in 2018 sales compared to 2017, and diligent efforts to control costs, indicate a need for rate relief to mitigate the risk of loss from increasing fuel, maintenance and labor costs, and to assure the ability of the Company to continue to provide safe and uninterrupted operations.

We support the requested rate relief. While it does not eliminate the risk of continued loss, it does significantly mitigate the risk. Our support for the requested rate increase should in no way be deemed as validation that the petitioner's requested changes are optimal.

New York State, and in particular Suffolk County, is unusual in the use of fully private companies for ferry service; most of the ferries in the United States are public services, public benefit corporations, or concessionaires operating along a public route. No Suffolk County ferry receives any public augmentation to farebox revenues to support capital improvements or to mitigate costs for the proprietors. Although the ferries of the County, particularly the two Shelter Island Ferries, are run to a significant public benefit, the proprietors of these companies bear all the risk.

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## Appendix A—Proposed 2019 Rates for South Ferry

<b>CATEGORY</b>	<b>Fare Type</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Fare Change</b>	<b>% Change</b>
<b>Auto Fares</b>					
Cars and 4-wheel Pickup trucks under 22'	One-way	\$14.00	\$15.00	\$1.00	7.14%
<i>*Explanatory note #1</i>	Round-trip	\$17.00	\$20.00	\$3.00	17.65%
Passengers	One-way	\$1.00	\$2.00	\$1.00	100.00%
	Round-trip	\$2.00	\$3.00	\$1.00	50.00%
Motorcycles	One-way	\$7.00	\$8.00	\$1.00	14.29%
	Round-trip	\$8.00	\$10.00	\$2.00	25.00%
Bicycles	One-way	\$4.00	\$4.00	\$0.00	0.00%
	<i>*Explanatory note #11</i>	Round-trip	\$6.00	\$6.00	\$0.00
<b>Truck Fares</b>					
<b>“Small” Set Rate</b> <i>*Explanatory note #2</i>					
Dual wheeled, utility vans, box trucks, trucks and modified pickup trucks under 22 feet	One-way	\$14.00	\$15.00	\$1.00	7.14%
	Round-trip	\$20.00	\$22.00	\$2.00	10.00%
<b>“Medium” set rate (\$40 / \$80)</b>					
Backhoe / payload (large)	One-way	\$40.00	\$45.00	\$5.00	12.50%
	Round-trip	\$80.00	\$80.00	\$0.00	0.00%
Boom / Tag along / 3 axle Concrete forms	One-way	\$45.00	\$45.00	\$0.00	0.00%
	Round-trip	\$70.00	\$80.00	\$10.00	14.29%
Boom / Tag along / 3 axle Block, stone, lumber & sheetrock <i>*Explanatory note #3</i>	One-way	\$75.00	\$45.00	-\$30.00	-40.00%
	Round-trip	\$120.00	\$80.00	-\$40.00	-33.33%
Garbage truck (large) *(3)	One-way	\$65.00	\$45.00	-\$20.00	-30.77%
	Round-trip	\$110.00	\$80.00	-\$30.00	-27.27%
Tank truck carrying more than 2,500 gallons *(3)	One-way	\$40.00	\$45.00	\$5.00	12.50%
	Round-trip	\$50.00	\$80.00	\$30.00	60.00%
Tow truck (large)	One-way	\$45.00	\$45.00	\$0.00	0.00%
	Round-trip	\$70.00	\$80.00	\$10.00	14.29%
Tractor trailer less than 18 wheels	One-way	\$45.00	\$45.00	\$0.00	0.00%
	Round-trip	\$70.00	\$80.00	\$10.00	14.29%
Triple-axle box truck	One-way	\$45.00	\$45.00	\$0.00	0.00%
	Round-trip	\$70.00	\$80.00	\$10.00	14.29%
Utility trucks (PSEG, etc.) over 30,000 pounds	One-way	\$45.00	\$45.00	\$0.00	0.00%
	Round-trip	\$70.00	\$80.00	\$10.00	14.29%

**Appendix A—Proposed 2019 Rates for South Ferry**

<b>CATEGORY</b>	<b>Fare Type</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Fare Change</b>	<b>% Change</b>
<b>“Large” set rate (\$80 / \$130)</b>					
Block, stone, lumber & sheetrock, 4-axle	One-way	\$75.00	\$80.00	\$5.00	6.67%
	Round-trip	\$120.00	\$130.00	\$10.00	8.33%
Coach bus	One-way	\$65.00	\$80.00	\$15.00	23.08%
	Round-trip	\$125.00	\$130.00	\$5.00	4.00%
Redi Mix	One-way	\$75.00	\$80.00	\$5.00	6.67%
	Round-trip	\$120.00	\$130.00	\$10.00	8.33%
Tractor trailer tanker truck (water, fuel oil)	One-way	\$70.00	\$80.00	\$10.00	14.29%
	Round-trip	\$125.00	\$130.00	\$5.00	4.00%
Tractor trailer 18 wheels / over 60'	One-way	\$70.00	\$80.00	\$10.00	14.29%
	Round-trip	\$125.00	\$130.00	\$5.00	4.00%
Tree spade large	One-way	\$75.00	\$80.00	\$5.00	6.67%
	Round-trip	\$120.00	\$130.00	\$10.00	8.33%
Vacuum / pump out	One-way	\$75.00	\$80.00	\$5.00	6.67%
	Round-trip	\$150.00	\$130.00	-\$20.00	-13.33%
<b>“Extra Large / Special Handling” set rate (\$90 / \$160)</b>					
Concrete pumper	One-way	\$80.00	\$90.00	\$10.00	12.50%
	Round-trip	\$160.00	\$160.00	\$0.00	0.00%
Haz-Mat	One-way	\$75.00	\$90.00	\$15.00	20.00%
	Round-trip	\$150.00	\$160.00	\$10.00	6.67%
Modular Home	One-way	\$70.00	\$90.00	\$20.00	28.57%
	Round-trip	\$140.00	\$160.00	\$20.00	14.29%
Motorized crane	One-way	\$80.00	\$90.00	\$10.00	12.50%
	Round-trip	\$160.00	\$160.00	\$0.00	0.00%
Over 100,000 lbs. priced as per agreement between South Ferry and vehicle owner					
<b>Dump trucks / Roll-offs</b> *Explanatory note #4					
25' – 30' / 3 axles	One-way	\$52.50	\$60.00	\$7.50	14.29%
	Round-trip	\$105.00	\$120.00	\$15.00	14.29%
30' – tractor trailer / 4 axles	One-way	\$62.50	\$65.00	\$2.50	4.00%
	Round-trip	\$125.00	\$130.00	\$5.00	4.00%
Tractor trailer dump truck	One-way	\$62.50	\$70.00	\$7.50	12.00%
	Round-trip	\$125.00	\$140.00	\$15.00	12.00%
<b>Standard / Measured trucks</b> *Explanatory note #5					
22 feet	One-way	\$15.00	\$17.00	\$2.00	13.33%
	Round-trip	\$30.00	\$34.00	\$4.00	13.33%
23 feet	One-way	\$16.00	\$18.00	\$2.00	12.50%
	Round-trip	\$32.00	\$36.00	\$4.00	12.50%
24 feet	One-way	\$17.00	\$19.00	\$2.00	11.76%
	Round-trip	\$34.00	\$38.00	\$4.00	11.76%

## Appendix A—Proposed 2019 Rates for South Ferry

<b>CATEGORY</b>	<b>Fare Type</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Fare Change</b>	<b>% Change</b>
25 feet	One-way	\$18.00	\$20.00	\$2.00	11.11%
	Round-trip	\$36.00	\$40.00	\$4.00	11.11%
26 feet	One-way	\$19.00	\$21.00	\$2.00	10.53%
	Round-trip	\$38.00	\$42.00	\$4.00	10.53%
27 feet	One-way	\$20.00	\$22.00	\$2.00	10.00%
	Round-trip	\$40.00	\$44.00	\$4.00	10.00%
28 feet	One-way	\$21.00	\$23.00	\$2.00	9.52%
	Round-trip	\$42.00	\$46.00	\$4.00	9.52%
29 feet	One-way	\$22.00	\$24.00	\$2.00	9.09%
	Round-trip	\$44.00	\$48.00	\$4.00	9.09%
30 feet	One-way	\$23.00	\$25.00	\$2.00	8.70%
	Round-trip	\$46.00	\$50.00	\$4.00	8.70%
31 feet	One-way	\$24.00	\$26.00	\$2.00	8.33%
	Round-trip	\$48.00	\$52.00	\$4.00	8.33%
32 feet	One-way	\$25.00	\$27.00	\$2.00	8.00%
	Round-trip	\$50.00	\$54.00	\$4.00	8.00%
33 feet	One-way	\$26.00	\$28.00	\$2.00	7.69%
	Round-trip	\$52.00	\$56.00	\$4.00	7.69%
34 feet	One-way	\$27.00	\$29.00	\$2.00	7.41%
	Round-trip	\$54.00	\$58.00	\$4.00	7.41%
35 feet	One-way	\$28.00	\$30.00	\$2.00	7.14%
	Round-trip	\$56.00	\$60.00	\$4.00	7.14%
36 feet	One-way	\$29.00	\$31.00	\$2.00	6.90%
	Round-trip	\$58.00	\$62.00	\$4.00	6.90%
37 feet	One-way	\$30.00	\$32.00	\$2.00	6.67%
	Round-trip	\$60.00	\$64.00	\$4.00	6.67%
38 feet	One-way	\$31.00	\$33.00	\$2.00	6.45%
	Round-trip	\$62.00	\$66.00	\$4.00	6.45%
39 feet	One-way	\$32.00	\$34.00	\$2.00	6.25%
	Round-trip	\$64.00	\$68.00	\$4.00	6.25%
40 feet	One-way	\$33.00	\$35.00	\$2.00	6.06%
	Round-trip	\$66.00	\$70.00	\$4.00	6.06%
<b>Towed Items</b>					
Up to 12' *Explanatory note #6	One-way	\$6.00	\$7.00	\$1.00	16.67%
	Round-trip	\$12.00	\$14.00	\$2.00	16.67%
12' to under 22'	One-way	\$12.00	\$13.00	\$1.00	8.33%
	Round-trip	\$24.00	\$26.00	\$2.00	8.33%
22' and over--Standard / measured truck rates apply*					
<b>Buses</b>					
Under 25' *Explanatory note #7	One-way	\$17.00	\$20.00	\$3.00	17.65%
	Round-trip	\$34.00	\$40.00	\$6.00	17.65%
25' to under 30'	One-way	\$30.00	\$35.00	\$5.00	16.67%
	Round-trip	\$60.00	\$70.00	\$10.00	16.67%

## Appendix A—Proposed 2019 Rates for South Ferry

<b>CATEGORY</b>	<b>Fare Type</b>	<b>Current Fare</b>	<b>Proposed Fare</b>	<b>Fare Change</b>	<b>% Change</b>
Over 30'	One-way	\$40.00	\$45.00	\$5.00	12.50%
	Round-trip	\$80.00	\$90.00	\$10.00	12.50%
<b>Multi trip books &amp; passes</b>					
Commuter Passes	*	\$25.00	\$27.00	\$2.00	8.00%
5-day	*	\$30.00	\$33.00	\$3.00	10.00%
6-day	*	\$36.00	N/A	<u>Removed</u>	*
7-day*Explanatory note #8	*	\$36.00	N/A	<u>Removed</u>	N/A
		<u>Motorcycle / Bicycle *(8)*</u>			
5 day Bicycle	*	\$15.00	N/A	<u>Removed</u>	N/A
6-day Bicycle	*	\$18.00	N/A	<u>Removed</u>	N/A
7-day Bicycle	*	\$21.00	N/A	<u>Removed</u>	N/A
5 day Motorcycle	*	\$20.00	N/A	<u>Removed</u>	N/A
6-day Motorcycle	*	\$24.00	N/A	<u>Removed</u>	N/A
7-day Motorcycle	*	\$281.00	N/A	<u>Removed</u>	N/A
<u>Shelter Island Resident Passes *Explanatory note #9</u>					
10 trip book	One-way	\$57.00	N/A	<u>Removed</u>	*
	20 one way)	\$60.00	\$65.00	\$5.00	8.33%
30 one way passenger	*	\$15.00	\$15.00	\$0.00	0.00%
<u>General Public Books *Explanatory note #10</u>					
10 trip book	One-way	\$80.00	\$90.00	\$10.00	12.50%
	Round-trip	\$98.00	\$120.00	\$22.00	22.45%
30 one way passenger	*	\$22.00	\$30.00	\$8.00	36.36%

### **Explanatory Notes**

1. The allowable length of a vehicle not subject to measured rates is now 22 feet. Under the 2012 approved rates, the length cutoff was 21 feet. South Ferry implemented this change because of the increasing size of personal pickup trucks and SUVs.
2. Trucks of a general, like-minded stature in terms of weight and / or length are grouped together where applicable so as to create fare categories such as “small,” “medium,” “large” and “extra-large / special handling.” This simpler structure, is intended to offer a more consistent and accurate fare structure overall.
3. Some metrics are shifted to reduce costs to commercial customers. For example, under current rates, trucks with tag-along forklifts on the back for unloading cargo such as lumber or stone are charged the same rate whether they have 3 axles or 4. The proposed rates separate those trucks out into different categories based on the axle count; axle count is directly related to cargo carrying capacity and overall gross vehicle weight. Another example is the minimum capacity for “tank trucks” (fuel oil, septic, chlorine) which increases by 25% from 2,000 gallons to 2,500 gallons before such a truck is elevated into a higher fare category. Large garbage trucks are proposed as

## Appendix A—Proposed 2019 Rates for South Ferry

in the “medium” category, which is more reflective of their weight and length. This proposed repositioning results in a *decrease* of 30.7% for a one way fare and 27% for round trip fare.

4. Commercial dump trucks and roll-offs remain in their own separate category. Under the proposed rates, the minimum footage before a dump truck / roll-off increases from a standard / measured truck into a more expensive set rate truck at 25 feet from 23 feet. This gives many commercial customers 2 extra feet of length before their fare would increase. Dump trucks and roll-offs may purchase round trip tickets under the proposed rates; under current rates, they must purchase only one way tickets and are charged based on whether they are laden or unladen.
5. Trucks in this category include: small backhoe / payloaders, box trucks, small garbage and tow trucks, small tree spades and concrete pumpers, 2-axle dump trucks and roll offs under 25’, tank trucks under 2,500 gallons, utility (PSEG, etc.) trucks under 30,000 lbs. gross vehicle weight, 2 axle low sided dump trucks, pickups, vans, and dual wheeled pickup trucks over 22’
6. The proposed rate schedule adds 2 extra feet (from 10’ to 12’) to towed items in the least expensive rate category.
7. The proposed rate schedule adds 3 extra feet (from 22’ to 25’) for busses in the least expensive rate category.
8. The proposed rate schedule eliminates 7-day commuter passes and commuter passes for motorcycles and bicycles.
9. The proposed rate schedule consolidates two resident multi-trip passes – the 10 one way and the 10 round trip – into one pass that allows for 20 one way trips. The intent is to simplify the resident ticketing structure the while maintaining a reduced rate for residents.
10. The general public auto and passenger books, as proposed, offer a 40% and 50% discount, respectively, off of the proposed cash fare price.
11. To continue encouraging customers to embrace greener transportation methods such as bicycles, there is no rate increase in this category.

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