

SUFFOLK COUNTY LEGISLATURE



Robert Lipp
Director

BUDGET REVIEW OFFICE

April 12, 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 enclosed report presents the Budget Review Office analysis of the financial and statistical data presented by North Ferry Company, Inc. in support of its petition for a rate increase in 2019. Procedural Resolution No. 10-2019 authorizes the public hearings for the rate approval, and if adopted, Introductory Resolution No. 1227-2019 would approve the requested rate increases.

The Budget Review Office conducted a thorough review of the certified and audited financial statements that were prepared by an accountant with satisfactory peer review status. North Ferry Company, Inc. last received a fare rate increase in 2014. Rate increases are requested for twenty-eight fares and average 6.97%. The largest requested increases of 33.3% are to the bicycle one way and bicycle 5-day commuter fares from \$3.00 to \$4.00 and \$15.00 to \$20.00 respectively. The petition seeks no increase to five of the current fares including all passenger fares. It is important to note that many of the proposed fares remains significantly discounted when compared to North Ferry Company's average cost of \$6.28 to provide passage across the bay by car. The casual traveler and commercial truck traffic continue to subsidize resident travel as they have historically.

The Budget Review Office recommends that the applicant's request for a rate increase be approved. While the average requested rate increase is 6.97%, which is beyond CPI growth since their last rate increase in 2014; given the company's financial projections and the level of capital expenditures for which they are committed, the rate increase appears reasonable.

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

North Ferry Company, Inc.

**Petition for 2019
Rate Increase**

April 12, 2019

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

Analysis of North Ferry Company, Inc.

Petition for Rate Alteration

Summary of Findings

- North Ferry Co., Inc. continues to provide a vital transportation service in a professional manner between Greenport, NY and Shelter Island Heights, NY.
- North Ferry Co., Inc.'s cash control system is sufficient to safeguard the company's assets and protect the public's interest.
- North 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.
- North Ferry Co., Inc. filed a petition dated March 12, 2019 seeking an alteration to fare rates. The requested rate relief increases twenty-eight fares by an average of 6.97%
- According to the audited financial statements and financial projections submitted by the petitioner, the current rate structure is insufficient for the company to meet the costs of its capital and operating expenses.
- North Ferry Company Inc. has committed to invest in capital improvements that were deferred in the past that are now due.
- Based on the above factors and additional information contained in the body of this report, the Budget Review Office recommends that rate relief should be granted.

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.

North Ferry Co., Inc. submitted a petition dated March 12, 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. 1227-2019. The County Legislature is the governmental agency responsible for action on this request. The Budget Review Office (BRO) 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. North Ferry Co., Inc. has submitted audited financial statements and supplementary information for three years operations occurring from January 1, 2016 through December 31, 2018. Leonard, Mulherin & Greene, P.C. is the accounting firm that audited the financial statements. Documentation has been obtained indicating that 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, comparisons with the current rates, and the most current labor contract. BRO toured the petitioner’s fixed place of business on Shelter Island to observe operational compliance with the terms of the license issued to North Ferry Company Inc. by the Suffolk County Legislature that was last extended via Resolution No. 535-2013 through June 2023.

Analysis of North Ferry Company Incorporated

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

The Petition Seeking Rate Relief

The petition submitted by North Ferry Co., Inc. dated March 12, 2019, indicates that the company is a for-profit transportation corporation that has been 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 Shelter Island Heights, New York and Greenport, New York. The petitioner is applying for alteration of its

present fare structure as previously authorized via Resolution No. 510-2014 effective June 24, 2014. The current petition seeks rate increases to twenty-eight fares resulting in a weighted average rate increase of 6.97%. No increase to passenger fares, both foot and automobile or construction trailer fares is sought in the current petition. No new fare categories and rates are proposed.

Chapter 455. Ferry Service of the Suffolk County Code governs the determination of rates for ferry companies operating within the County. Sub-section 455-3. Determination of Rates (l) pertains to the ferry companies' right to alter their fares by applying the transportation component of the consumer price index (CPI) for all urban consumers-New York and northeastern New Jersey. Had the petitioner opted to exercise their right to alter their rates in the years there was positive CPI growth (2017 and 2018) since their last rate increase, the current rates would be 6.15% higher.

According to North Ferry, the operating and capital needs of the Company have led the petitioner to request rate relief. They state that they are at risk of being unable to properly maintain their fleet and shore side infrastructure due to anticipated operating losses in 2019 based upon their present fare rate structure. The audited financial statements submitted in conjunction with the current petition to alter their rates indicate net income of \$140,170 after Federal income taxes in 2018, which is \$12,463 less than reported for 2017. The petitioner projects negative net income of \$261,511 in 2019 based upon 2018 ridership volume in conjunction with the present fare rate schedule and operating and capital expenses anticipated in the current year.

The petitioner indicated in 2014 that they had deferred various capital improvements and maintenance projects due to financial constraints in order to maintain their service commitment. They were planning several projects in anticipation of their return to positive cash flows as follow:

- Rebuilding of the bulkhead that supports the Greenport ramps and passenger terminals.
- Refurbishment of the four ramps connecting the shore side approaches with the ferry.
- Replacement of deteriorated slip pilings.
- Improvements to their offices, paving of the plazas, and improvements to fare collection equipment at the passenger terminals in Greenport.
- Development of a proprietary electronic fare collection system.

In 2014 the petitioner's operation returned to positive cash flow ending the year with positive net income of approximately \$33,000. Since 2014, North Ferry reports that they have made non-financed capital investments of nearly \$2.4 million.

North Ferry reports that investments to slips and shore side infrastructure have exceeded \$800,000 since 2014 and are not yet complete. North Ferry successfully developed the FerryPass® electronic fare collection system, which went into operation in April 2016. They report that the system has made fare collection more consistent and proven itself successful in all weather conditions. Rider feedback indicates that their customers are very pleased with the system as well. Plaza and ferry line repaving, investment in ferryboat parts to mitigate down time, and investments in instrumentation for data logging in conjunction with the in-house development of proprietary software have added more consistency and efficiencies to their daily operations.

Currently, the Company is in the process of purchasing a new, energy efficient, vessel to replace the *Islander*, which was built in 1969 and is the oldest ferry in their fleet. North Ferry signed a contract with shipbuilder Washburn and Doughty last year for the construction of a fourth 130-foot, 25-car ferry to replace the *Islander* at an anticipated cost of \$3.6 million when complete, of which North

Ferry has invested \$819,900 in cash. The petitioner projects interest expense to increase by more than \$130,000 and depreciation expense to increase in excess of \$110,000 in conjunction with this acquisition. North Ferry asserts that the new ferry will be more environmentally friendly than the vessel it replaces, will increase passenger capacity, and will improve wait times. With the addition of a new vessel to their fleet, North Ferry anticipates that they will have the capacity to overhaul its existing vessels more effectively. North Ferry is planning a complete paint system overhaul for two vessels at a cost of \$50,000 per boat within the next two years.

Additional capital investments include the installation of a new bulkhead at the Greenport landing for which North Ferry has been granted all of the necessary permits and has begun construction. Costello Marine expects to complete the project in the spring of 2020. The vendor proposal totals \$267,500 for the new bulkhead and required fill. Longer higher vehicle ramps will be installed at the same time to address service interruptions that have been experienced in recent history due to unusually high tides at a cost of \$340,000. Additionally, North Ferry is in the active design stage of a mooring system at the Greenport landing that they hope to implement while the new ramps are installed next year. They estimate the mooring system will save thousands of gallons of fuel per year once installed while improving safety.

Increased operating costs have also contributed in necessitating that the petitioner seek to alter its fare rate schedule. Although North Ferry was able to glean efficiencies and reduce its fuel consumption by more than 3,700 gallons in 2018, as compared to 2017, their fuel costs increased in excess of \$100,000 or 31.8% in 2018. Lubricating oil costs rose from \$16,459 in 2017 to \$44,860 in 2018 representing a 173% increase.

Payroll and related costs at North Ferry accounted for approximately \$4.4 million or 68.5% of total operating expenses in 2018. Most employees of the Ferry are subject to the terms and conditions of a collective bargaining agreement between North Ferry Company Inc. and the Atlantic Maritime Group of Masters, Mates, and Pilots, AFL-CIO (the "Union") that expired on January 5, 2019. The Ferry and the Union agreed to a new collective bargaining agreement that expires in December 2022 however, they are currently working under a memorandum of understanding and do not have a final signed contract at the time of this writing. BRO is of the understanding that the final contract will reflect salary enhancements in each year of the contract. Health care costs for the Ferry's employees increased 6.5% in 2018 and the Ferry reports it will incur a 6% increase in their health care premiums as of April 2019.

Comparison of Current and Proposed Rates

The following table illustrates the proposed alterations to the ferry rates and fares as included in the current petition.

NORTH FERRY CO. INC.				
REGULAR SCHEDULED SERVICE BETWEEN SHELTER ISLAND HEIGHTS, NEW YORK AND GREENPORT, NEW YORK				
PROPOSED RATE SCHEDULE				
<u>CATEGORY</u>	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>	<u>CHANGE</u>	<u>% CHANGE</u>
<u>CARS</u>				
One Way Car and Driver	\$11.00	\$12.00	\$1.00	9.09%
Round Trip Car and Driver	\$16.00	\$18.00	\$2.00	12.50%
<u>PREPAID 10 TICKET DISCOUNT BOOKS (FOR CARS)</u>				
Resident One-Way	\$52.00	\$54.00	\$2.00	3.85%
Resident Round Trip	\$55.00	\$58.00	\$3.00	5.45%
Greenport Village Resident One-Way	\$60.00	\$63.00	\$3.00	5.00%
Greenport Village Resident Round Trip	\$68.00	\$72.00	\$4.00	5.88%
Non-Resident One-Way	\$66.00	\$69.00	\$3.00	4.55%
Non-Resident Round Trip	\$82.00	\$86.00	\$4.00	4.88%
<u>WEEKLY COMMUTER TICKETS EXPIRING ON SUNDAY NIGHT</u>				
5 Day Resident Commuter	\$27.00	\$29.00	\$2.00	7.41%
5 Day Non-Resident Commuter	\$34.00	\$36.00	\$2.00	5.88%
6 Day Non-Resident Commuter	\$40.00	\$42.00	\$2.00	5.00%

<u>PASSENGERS – (See Definition)</u>				
In Cars or Walk-Ons	\$2.00	\$2.00	\$0.00	0%
In Commuter Cars	\$2.00 (one way)	\$2.00 (one way)	\$0.00	0%
	\$3.00 (round trip)	\$3.00 (round trip)	\$0.00	0%
In Resident Cars	\$2.00 (one way)	\$2.00 (one way)	\$0.00	0%
	\$3.00 (round trip)	\$3.00 (round trip)	\$0.00	0%
10 Tokens, Resident	\$15.00	\$15.00	\$0.00	0%
<u>MOTORCYCLES</u>				
One-Way including Driver	\$7.00	\$8.00	\$1.00	14.29%
Round Trip including Driver	\$9.00	\$10.00	\$1.00	11.11%
<u>BICYCLES</u>				
One-Way including Rider	\$3.00	\$4.00	\$1.00	33.33%
Round Trip including Rider	\$5.00	\$6.00	\$1.00	20.00%
5 Day Bicycle Commuter Rate	\$15.00	\$20.00	\$5.00	33.33%
<u>TRUCKS</u>				
All rates are One Way unless noted				
Standard Pick-up or Passenger Van 22 feet or less in length	Car Rates (see above)			
Two Axle (includes Boat Trailer, Light Duty Trailer)	\$11.50 first 18'	\$12.00 first 18'	\$0.50	4.35%
	\$1.10 / ft. over 18'	\$1.20 / ft. over 18'	\$0.10	9.09%
More Than Two Axles	\$ 19.00 first 18'	\$ 20.00 first 18'	\$1.00	5.26%
	\$1.10 / ft. over 18'	\$1.20 / ft. over 18'	\$0.10	9.09%

Dump Trucks under 18,000 lbs. GVWR	\$ 11.50 first 18'	\$ 12.00 first 18'	\$0.50	4.35%
	\$ 1.10 / ft. over 18'	\$ 1.20 / ft. over 18'	\$0.10	9.09%
Dump Trucks over 18,000 lbs. GVWR	Truck Rate by Axle (see above)			
Empty				
Loaded	\$ 10.50 + \$ 2.10 / ft.	\$ 12.00 + \$ 2.25 / ft.	\$1.50 + \$0.15 / ft	4.76% 7.14%
Construction Trailer (more than 4 tires)	\$2.00 / ft	\$2.00 / ft	\$0.00	0%
Heavy Truck (transit mix, sheet rock, log, cinder block, tank/water/fuel, dumpster, roll-off, or other heavy vehicle)	\$80.00	\$85.00	\$5.00	6.25%
<u>BUSES</u>				
Mini Bus	Truck Rate	Truck Rate	Determined by Class	Determined by Class
Full Size School Bus One-Way	\$48.00	\$50.00	\$2.00	4.17%
Full Size School Bus Round Trip	\$58.00	\$61.00	\$3.00	5.17%
Coach Bus One-Way	\$75.00	\$80.00	\$5.00	6.67%
Coach Bus Round Trip	\$100.00	\$110.00	\$10.00	10.00%
<u>HAZARDOUS MATERIALS</u>				
Aboard Small Ferry	\$105.00	\$110.00	\$5.00	4.76%
Aboard Large Ferry	\$265.00	\$275.00	\$10.00	3.77%

*See Exhibit B for definitions

The proposed fare structure seeks increases to twenty-eight existing rates within eight fare categories resulting in a weighted average increase of 6.97%. North Ferry Co., Inc. estimates that the proposed increases would equate to additional revenue of approximately \$471,273 annually based upon 2018 ridership volume within the fare categories for which increases are projected at the proposed rates. BRO finds North Ferry Co., Inc.'s additional revenue estimate reasonable based upon the data provided and assumptions employed.

Financial Statements

North Ferry Co., Inc. submitted audited financial statements for the years ending December 31, 2016-2018. The financial statements were audited by Leonard, Mulherin & Greene, P.C.; their last peer review was in 2017. The independent auditor's report contains their opinion that the financial statements present fairly, in all material respects, the financial position of the Ferry.

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 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 \$4,854,371. The assets consist of current assets, property, plant, and equipment (net of accumulated depreciation), and deposits. Property, plant, and equipment represent the vast majority of assets of approximately \$4 million. Liabilities and stockholder equity consist of current liabilities, long-term liabilities and stockholder equity, of which, the vast majority is mortgage notes payable for two vessels of \$2.2 million. The mortgage notes payable liability is anticipated to increase significantly upon completion of the new ferryboat by summer 2019. At that time, a non-revolving business line of credit agreement between North Ferry and BNB Bank to fund the cost of constructing the new boat, will be converted into a mortgage note.

Procedural Resolution 10-2019 and Introductory Resolution No. 1227-2019

As part of the rate setting process, North Ferry Company Inc. has submitted two resolutions, one for the rate increase and another for the public hearing regarding the rate increase. Procedural Resolution No. 10-2019 sets the public hearing for the granting of the rate alterations, and Introductory Resolution No. 1227-2019 approves the new rates. Introductory Resolution No. 1227-2019 contains the entire rate schedule for all nine fare categories including both the current and proposed rates for the twenty-eight rates the petitioner seeks to modify.

Conclusion and Recommendation

Our analysis of North Ferry Co., Inc.'s petition for rate relief encompasses several perspectives. Rates should reasonably reflect operation costs without being excessive and should provide sufficient revenue for the business to be a going concern. The fare increase proposed by North Ferry Co., Inc. averages 6.97% over twenty-eight fares. In comparison, if the petitioner opted to increase fares by utilizing the transportation component of the consumer price index for all urban consumers-New York and northeastern New Jersey in the years in which there was positive CPI growth, as allowed in Suffolk County code Chapter 455 FERRY SERVICE sub-section 455-3(l), the increase would have been 6.15% as of June 2018.

The largest requested increase of 33.3% is observed within the Bicycles fare category wherein the One-Way including Rider fare is proposed to increase from \$3.00 to \$4.00 and the 5-Day Bicycle Commuter fare is proposed to increase from \$15.00 to \$20.00. The increase to the 5-Day Bicycle Commuter fare addresses an existing fare inconsistency that allows anyone with a bicycle to travel at the same fare level as a Shelter Island resident passenger utilizing a discounted Resident 10 Token fare rate. No increase has been requested for five of the existing fares including all passenger fares. It is important to note that the proposed Prepaid 10 Ticket Discount Books rates (for cars) remain

significantly discounted at the proposed rates ranging from \$2.90 to \$4.30 each way based upon same day round trip rates per passage in comparison to North Ferry Co., Inc.'s average cost of \$6.28 to provide passage across the bay for a car. The casual traveler and commercial truck traffic continue to subsidize resident travel, as they have historically, at a rate well below cost; however, North Ferry indicates the current rate structure puts the viability of their business at risk.

The requested rate increase, which we support, does not eliminate the risk of loss but it does help mitigate the risk of failure for the business. Our support for the requested rate increase should in no way be deemed as validation that the petitioner's requested changes are optimal. The financial projections submitted by the petitioner posit positive net income on an annual basis of approximately \$209,762 at the proposed rates, *ceteris paribus*, based upon their 2018 experience and in conjunction with increased expenses driven primarily by capital expenditures associated with the purchase of a new vessel and infrastructure improvements. Projected operating losses for North Ferry Co., Inc. in 2019 are reasonable given the current fare schedule in conjunction with increased capital and operating expenses lending support to the Ferry's assertion that they require fare rate augmentation in order to continue operating while remaining profitable.

* * *

EXHIBIT A

**REGULAR SCHEDULED SERVICE BETWEEN
SHELTER ISLAND HEIGHTS, NEW YORK AND GREENPORT, NEW YORK:**

<u>CATEGORY</u>	<u>CURRENT RATES</u>	<u>PROPOSED RATES</u>
<u>CARS</u>		
One Way Car and Driver	\$ 11.00	\$ 12.00
Round Trip Car and Driver	\$ 16.00	\$ 18.00
<u>PREPAID 10 TICKET DISCOUNT BOOKS (FOR CARS)</u>		
Resident One-Way	\$ 52.00	\$ 54.00
Resident Round Trip	\$ 55.00	\$ 58.00
Greenport Village Resident One-Way	\$ 60.00	\$ 63.00
Greenport Village Resident Round Trip	\$ 68.00	\$ 72.00
Non-Resident One-Way	\$ 66.00	\$ 69.00
Non-Resident Round Trip	\$ 82.00	\$ 86.00
<u>WEEKLY COMMUTER TICKETS EXPIRING ON SUNDAY NIGHT</u>		
5 Day Resident Commuter	\$ 27.00	\$ 29.00
5 Day Non-Resident Commuter	\$ 34.00	\$ 36.00
6 Day Non-Resident Commuter	\$ 40.00	\$ 42.00
<u>PASSENGERS – (See Definition)</u>		
In Cars or Walk-Ons	\$ 2.00	\$ 2.00
In Commuter Cars	\$ 2.00 (one way)	\$ 2.00 (one way)
	\$ 3.00(round trip)	\$ 3.00(round trip)
In Resident Cars	\$ 2.00 (one way)	\$ 2.00 (one way)
	\$ 3.00(round trip)	\$ 3.00(round trip)
10 Tokens, Resident	\$ 15.00	\$ 15.00

MOTORCYCLES

One-Way including Driver	\$ 7.00	\$ 8.00
Round Trip including Driver	\$ 9.00	\$ 10.00

BICYCLES

One-Way including Rider	\$ 3.00	\$ 4.00
Round Trip including Rider	\$ 5.00	\$ 6.00
5 Day Bicycle Commuter Rate	\$ 3.00/day	\$ 4.00/day

TRUCKS

All rates are One Way unless noted

Two Axle (includes Boat Trailer, Light Duty Trailer)	\$ 11.50 first 18' \$ 1.10 / ft. over 18'	\$ 12.00 first 18' \$ 1.20 / ft. over 18'
More Than Two Axles	\$ 19.00 first 18' \$ 1.10 / ft. over 18'	\$ 20.00 first 18' \$ 1.20 / ft. over 18'
Dump Trucks under 18,000 lbs. GVWR	\$ 11.50 first 18' \$ 1.10 / ft. over 18'	\$ 12.00 first 18' \$ 1.20 / ft. over 18'
Dump Trucks over 18,000 lbs. GVWR	Empty Truck Rate By Axle Loaded \$ 10.50 + \$ 2.10 / ft.	Truck Rate By Axle \$ 12.00 + \$ 2.25 / ft.
Construction Trailer (more than 4 tires)	\$ 2.00 per foot	\$ 2.00 per foot
Heavy Truck (transit mix, sheet rock, log, cinder block, tank/water/fuel, dumpster, roll-off, or other heavy vehicle)	\$ 80.00	\$ 85.00

BUSES

	Truck Rate	Truck Rate
Mini Bus		
Full Size School Bus One-Way	\$ 48.00	\$ 50.00
Full Size School Bus Round Trip	\$ 58.00	\$ 61.00
Coach Bus One-Way	\$ 75.00	\$ 80.00
Coach Bus Round Trip	\$ 100.00	\$110.00

HAZARDOUS MATERIALS

Aboard Small Ferry	\$105.00	\$110.00
Aboard Large Ferry	\$265.00	\$275.00

Notes - See Exhibits "A" and "B"
All rates to become effective upon adoption of Resolution

EXHIBIT B

DEFINITIONS

Cars are defined as automobiles, pick-up trucks, and passenger vans. All car rate vehicles must be less than twenty two (22) feet in overall length. Modified vehicles with changes to the body width or height (excluding roof racks) or profile and vehicles with more than four (4) wheels are not eligible for the use of discount or commuter tickets.

Tickets may mean physical paper tickets or the rate implied by eligibility to buy said tickets.

Resident Round Trip tickets will be accepted as one-way tickets for trips originating in Greenport. Resident one-way tickets may also be used for that purpose.

Round Trip means same business day, which is from our first boat in the morning until our last boat that same night.

Shelter Island Resident: A Shelter Island property owner, or a person with a New York State Driver's license with a Shelter Island address, or a Shelter Island residential leaseholder with a lease term of a minimum of ten (10) months. Qualified resident commuters will be issued a resident identification certificate or other validation to be shown or displayed when commuting.

Greenport Village Resident: A Village of Greenport property owner, or a person with a New York State Drivers License with a Village of Greenport address, or a Village of Greenport residential leaseholder with a lease term of a minimum of ten (10) months.

Passengers: A person of ten (10) years of age or older riding in a vehicle or as a walk on. Passengers who are working and accompanying a driver with a commuter ticket will be granted a discounted same day round-trip fare of \$3.00. Also, passengers in cars accompanying Shelter Island Residents (as defined above) using Resident Round Trip discount tickets (and initiating their journey from Shelter Island) will also be entitled to the same discounted \$3.00 round trip fare. Shelter Island Residents may also use a discount passenger token in a vehicle or as a walk-on. Passenger fares will be collected from no more than three (3) passengers per vehicle. Passengers purchasing a discounted round trip fare must be in a vehicle on the return trip.

Discount Tickets which are sold only in the office are for personal use only and are not transferrable.

Non Resident Commuters can purchase or recharge a ticket (on the boats Monday or Tuesday and in the office through Wednesday) which entitles them to ten (10) or twelve (12) crossings during the course of the week starting Monday morning. Unused portions become void at the end of Sunday night.

Resident Commuters can purchase or recharge a ticket which entitles them to ten (10) crossings during the course of the week starting Monday morning. Unused portions become void at the end of Sunday night. Resident commuter tickets can be purchased by validated employees of the Shelter Island based businesses. Resident Commuters desiring more trips may purchase Resident Round Trip Discount Tickets, limited to no more than one book every 5 weeks.

Bicycle Commuters who travel to work on bicycles are eligible to buy a same day return ticket at a reduced rate.

Shelter Island Resident Trucks on Account will be discounted by twenty percent (20%) for Non-Municipal accounts only.

Fares Paid by Cash may be rounded down to the nearest dollar.