

December 5, 2017

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 Presiding Officer Gregory and Legislators,

I am writing to you as President of the Cherry Grove Community Association. CGCAI is a membership organization devoted to serving the civic, cultural, community and commercial needs of Cherry Grove. Our members are property owners as well as renters and businesses. We have more than 500 people on our mailing list and we communicate with our community regularly through email as well as a Face Book site, Cherry Grove Community Association. Our community tells us what is on their minds, and we proactively represent them to our elected and appointed government representatives.

Sayville Ferry Service (SFS) has requested a rate increase in a Petition filed with the Suffolk County legislature on September 7, 2017. Rate increases are requested in two fare categories that directly impact our community of Cherry Grove: a 12.72% increase for ferry passengers and 19.55% increase for freight tariffs. By their own admission, operating expenses are only up 1.7%. We question such a large increase given that the financials show a loss of \$27k for 2016, and the rate hike is estimated to increase revenue by more than \$400k !

In reviewing the SFS petition, it is important for all concerned to remember that Sayville Ferry Service is virtually a monopoly operation. Residents of Cherry Grove, the Pines and Water Island have no other possible mode of public water-borne transportation to reach their homes on Fire Island. The Legislature must therefore act with due diligence in their oversight capacity of the ferry service, insisting on reasonable ridership costs, combined with a high standard of safety and service. On behalf of the Cherry Grove community, I have the following comments about: (1) the process by which the rate increases are submitted and considered by the Legislature; (2) the amount of the requested fare increases; and (3) level of service provided to our community.

1. The Process: We are not opposed in principle to a fair rate increase, but we are concerned that all affected residents have a fair opportunity to receive all of the facts, be given time to review the underlying financial data, and be given the opportunity to present their legitimate concerns and raise appropriate arguments in response to the petition.

- The timing of the petition submissions and public hearings to offer comments on the petition are of concern. The petition was filed the day after Labor Day, seemingly timed after the end of the season for many CG residents. In addition, the community leadership did not receive any notice from anyone on this request for a rate increase, and we had to hunt down the information ourselves. The whole process could have just happened without any input or knowledge and we would've been hit in the spring with another surprising fare increase.
- In our opinion, notice of a petition for a rate increase should be more widely circulated, and with enough lead time to give interested parties a chance to review the request and develop comment. At the very least, the Ferry Company should be required to give notice in writing to the communities that it serves and that will be impacted by the rate increase.
- To facilitate transparency and communication about proposed rate increases and service schedules, we also propose that a meeting between representatives of Sayville Ferry and Cherry Grove (and Fire Island Pines and Water Island, if they wish to participate) should occur twice a year in April and October. The purpose of the meeting would be to consider the needs of the Cherry Grove, Pines and Water Island ridership and to help the Sayville Ferry to meet the community's transportation needs.

2. The Amount of the Requested Increases: The CGCA believes that while it is reasonable that SFS makes a profit, that the profit should not be excessive. Rate increases should be justified by increases in cost.

- In our opinion, the financial statements presented as supporting documentation for the rate increase are not at all useful for determining any basis for a rate increase. The financial statements lack the most basic detail, and do not conform to Generally Accepted Accounting Principles. It is therefore not reasonable for the Legislature to grant Sayville Ferry a rate increase based solely on such incomplete financial information.
- Our business owners and our community members are also quite concerned about the freight charge increases. The Stein family currently owns both freight companies that serve our community (SFS and Coastline Freight). Our business leaders have tried in vain to meet with Ken Stein to discuss rates for the coming season. Once again, the freight services represent a monopoly as they are now owned by the same family. The small, seasonal businesses of CG are at the mercy of the freight operations, and fearful that increases will negatively impact the financial health of their businesses. This transportation monopoly granted to Sayville Ferry & SFS should not interfere with the right of Cherry Grove businesses to operate and thrive. A ferry and freight schedule that does not consider the businesses it serves, is effectively limiting commerce and imposing control over when businesses open and close for the season. Sayville Ferry should be supporting their business clients, not dictating an important component of their operations.
- We object to the more than 15% increase in 40-trip ticket book. One would think that the Ferry Service would/should offer more of a discount to their consistent users. Additionally, senior rates are going up the same 15%, a hardship for many of our older residents and visitors.
- On the issue of senior rates, we believe these rates should apply as they do everywhere else in the world---based on age---period! Sayville Ferry requires a senior rider not only be of a certain age, but also show proof as a Brookhaven resident. Why does residence matter?

3. Ferry Service Issues: We do not believe that fare increases should be approved without consideration of the quality and quantity of the service that is provided in exchange for those fares.

- The CGCA does not believe that the SFS service schedule currently meets the needs of the community. Ridership in the summer months supports and compensates Sayville Ferry for service that should be provided to the community in the other seasons.
- A later weeknight Ferry in the height of the summer season would promote increased dinner traffic to our community restaurants.
- In our opinion, service should not be so severely limited in the months of April and October. The sharply reduced ferry service in these months causes a hardship to residents opening and closing their homes for the season, and unfairly limits the residents' right to use and enjoy their properties.

In Closing: The Cherry Grove community has had an excellent relationship with the Stein family for many years, and we intend to continue to do so. The SFS team has run an excellent operation and we are sure they will continue to offer excellent service, making the improvements that are necessary going forward. We understand that costs go up and rate increases are inevitable, but they need to be in line with increased expenses, not 6x the amount.

Our goal is to have a more collaborative and transparent process in place with the community providing robust and informed input to both the Ferry Company and the Legislature. This proposed fare increase, however, is certainly a major concern to many. We have asked our residents not bombard the Transportation committee with comments until we had an opportunity to deliver this document. That being said, we will share this document with our community tomorrow and ask them to email the Transportation committee directly with their concerns.

We wish to thank you for the opportunity to offer our comments on this resolution today. Your attention to our concerns is much appreciated.

Sincerely,



Diane Romano
President, CGCAI