

Report on the Chappaquiddick Ferry:

An Overview of operations, governance, and long term considerations.



*Prepared by the Chappaquiddick Island Association
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Table of Contents

| | |
|---|----|
| Introduction | 4 |
| Summary | 5 |
| Methodology | 7 |
| History | 8 |
| Regulatory Framework | 9 |
| • Statutory and Legislative Authority | |
| • Ferry License and Operational Regulation | |
| • Ground Lease and Control of Physical Assets | |
| • Rate-Setting Authority and Monopoly Status | |
| • 2019 Financing Agreement (Town; CFI; MV Savings Bank) | |
| • Gaps and Limitations in the Current Framework | |
| Chappy Ferry Operations Today | 16 |
| • Emergency Access, Evacuation, and Public Safety | |
| • Assets, Condition, Capacity, and Finances | |
| • Level of Service and Operational Oversight | |
| • Operational Data and Information Systems | |
| • Fare History and Pricing Trends | |
| Comparison with Other Short-Distance Ferries | 27 |
| • Cost per trip and per mile | |
| • Governance and Public Oversight | |
| • Operational Transparency and Data Reporting | |
| • How Costs are Funded | |
| • How Capital Plans are Funded | |
| • Equity Considerations | |
| • Overall Comparison | |
| Public Funding Sources for Ferry Services | 33 |
| Ferry Governance, Operation, and Ownership Models | 35 |
| • Current Model | |
| • Alternative Proposals | |
| o Private For-Profit Operation and Ownership with Revised Governance | |
| o Vineyard Transit Authority Operation, Governance and/or Ownership | |

- o Non-Profit Operation, Governance, and Ownership
- An Unexplored Structure: Municipal Enterprise Fund

| | |
|--|----|
| Future Challenges for Chappy Ferry Service | 45 |
| ● Capacity | |
| ● Capital Funding | |
| ● Climate Change, Sea-Level Rise, and Ferry Infrastructure | |
| ● Continuity | |
| Conclusion | 49 |
| Appendix A Oversight Comparison: Chappy Ferry to Publicly Operated Short-Distance Ferries | 51 |
| Appendix B Oversight Comparison: Chappy Ferry to MBTA Ferries | 54 |

Introduction

The Chappaquiddick Island Association (CIA) undertook to research and write this report last fall in response to the results of its end-of-summer 2025 survey of CIA members (property owners and seasonal or permanent residents of Chappaquiddick (“Chappy”). That survey decisively identified the future of the Chappy Ferry as the number one issue of community concern.

This report is not offered or intended as a criticism of those who have contributed so much in operating the Chappy Ferry service currently and in the past, or of those who may operate it in the future. We offer this comprehensive look at the Chappy Ferry, its history, operation, regulatory framework, and long-term considerations, in an effort to help our members, the wider community, and town government make more intelligent and informed decisions about the future of the ferry service. Accordingly, we make no recommendations. Instead, we present what we hope is a clear, comprehensive, and objective summary of facts and data. Readers may send fact-based corrections to info@ChappyCIA.org.

The Chappy Ferry is a long-recognized essential public service providing the sole means for Chappaquiddick’s access to emergency response, schools, town services, transportation, and the necessities of life. It is a critical part of town infrastructure and THE critical part, for Chappaquiddick taxpayers. The Town of Edgartown, which took responsibility for licensing and oversight of the Chappy Ferry through special legislation in 1962,¹ has acknowledged through its actions over the last hundred years that the ferry is an essential service.² The Chappy Ferry is also an integral part of Edgartown’s tourism economy and “brand.”

Chappy Ferry, Inc. (“CFI”) has provided nearly twenty years of continuous ferry service to the Chappy community, including service during challenging conditions and outside standard operating hours, to maintain Chappy’s lifeline to the rest of Martha’s Vineyard and the mainland beyond. When the CIA began work on this report last fall, we understood that it was inevitable that the CFI’s current owner-operators would want to retire and that, in fact, they had publicly discussed their desire to transfer ownership of

¹ Massachusetts St.1962, c. 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.”

² For example, in the 1920s, the Town funded the Chappy Ferry as a line item under the highway budget. Annual Town Reports for the Town of Edgartown for 1920 (p.15) and 1921 (p.15) accessed at <https://babel.hathitrust.org/cgi/pt?id=uiug.30112120091860&seq=21>. More recently, in 2024, the Town appropriated funds for an engineering study on adapting the Chappy Ferry landings to sea level rise. The Town relies upon use of the “cut line” and free passage for town vehicles on the Chappy Ferry in order to deliver town services on Chappaquiddick. See Edgartown Select Board minutes for September 29, 2025 (On review of revised “cut-line” policy, Town Administrator noted that use of the cut-line by all town vehicles was “imperative to providing services to Chappaquiddick”).

the Chappy Ferry.³ We also knew that, despite the skill and ingenuity that CFI has brought to maintaining its vessels, *On Time II* and *On Time III*, as well as the ferry slip infrastructure, the vessels and infrastructure inevitably would require replacement at a cost certain to be substantial. In addition, measures to address the current and coming impacts of sea level rise on the ferry slips, already assessed and quantified in consulting reports commissioned by the Town of Edgartown, would require substantial expenditure.

On March 30, the community learned that an offer to purchase the Chappy Ferry operation was pending when the Edgartown Select Board scheduled a hearing to consider the transfer of the Chappy Ferry operating license.⁴ A change in ownership and a transfer of the license, if approved by the Select Board, will not change the realities of the Chappaquiddick community's dependency upon the Chappy Ferry or the ferry's future needs.

The CIA's original goal in researching and writing this report was to provide the factual basis necessary for the Town of Edgartown, the ferry operator, and the Chappy community to formulate a long-term, reliable, equitable, and financially sustainable plan to maintain the lifeline that is the Chappy Ferry. That goal remains, regardless of whether the ferry license is transferred to a new entity.

Summary

This report is the product of several months of independent research drawing on public records, records of public meetings, legislative history, regulatory documents, consultant reports, and comparative data from other short-distance ferry services across the United States.

The Chappy Ferry Is an Irreplaceable Community Lifeline. For more than two hundred years, the Chappy Ferry has been Chappaquiddick's connection to the world — the sole means of access to emergency services, schools, town services, and the necessities of daily life for a growing community of year-round and seasonal residents, and an integral part of Edgartown's economy and identity. Chappy Ferry, Inc. (CFI) has provided nearly twenty years of dedicated and often extraordinary service, maintaining that lifeline through every kind of challenge and going above and beyond for the community it serves. It is precisely because the Chappy Ferry matters so much, and because CFI has served it so well, that the community and the Town have a shared responsibility to plan for the Chappy Ferry's future — a responsibility that, to date, has not been met.

³ See, e.g., Chappy Ferry Steering Committee minutes of September 15, 2022, reporting that Peter Wells, the ferry operator, was present at the meeting and confirmed his willingness to delay any sale until all ownership options — private, public, and hybrid — were fully considered.

⁴ See Edgartown Select Board Agenda for March 30, 2026, accessible at <https://www.edgartown-ma.us/home/showpublisheddocument/29176/639101323734870000>. Minutes of the March 30 meeting were not yet available as of the date of this Report.

The Current Regulatory Framework Was Not Designed for the Challenges Ahead.

The Town of Edgartown holds substantial authority over the Chappy Ferry through the ferry license, the ground lease, and Massachusetts General Laws Chapter 88 — including the power to set fares, review financial records, adjust license terms, decline license renewal for cause, and take over operations in an emergency. These are important and appropriate tools for the Select Board to have. The challenge is that the current framework does not require their systematic implementation. CFI currently operates under no obligation to collect or publish operational or financial data — no ridership figures, financial statements, capital plans, or performance metrics. The resulting absence of transparency limits the Town's and the community's ability to make well-informed decisions about the ferry's future, and places the full burden of planning and accountability on the individual Select Board members and the private operator rather than on durable institutional structures. Addressing this gap would require the Town to exercise authority it already holds — through strengthened license terms and clearer oversight requirements.

Fare Increases Have Outpaced Inflation; the Reasons Why Are Unknown. Since 2008, Chappy Ferry fares have increased by 62% to 286% depending on ticket category, compared with cumulative CPI increases of approximately 39% to 49% over the same period. The Chappy Ferry is among the most expensive short-distance ferry services in the country. Because CFI is not currently required to publish financial or operational information, it is not possible to understand the cost pressures that may underline these increases, or to evaluate whether fares could be structured differently. Without financial transparency, rate discussions are grounded in competing assumptions and speculation rather than shared facts, serving the interests of neither the operator nor the public.

Capital and Infrastructure Needs Are Substantial and Pressing. Maritime Consulting Partners (MCP), a firm retained by the Town to assess the Chappy Ferry, opined that the two vessels in CFI's fleet — the *On Time II* (built 1967) and the *On Time III* (built 1975) — are well beyond their expected service lives.⁵ MCP estimated combined vessel replacement and shoreside infrastructure costs in the range of at least \$8 million. Climate resilience improvements to the ferry landings — identified by the Town's own engineers as its highest-priority climate risk — are estimated by Fuss & O'Neill at \$6.5 to \$9.5 million, with the Town Administrator suggesting the total could approach \$15 million, exclusive of vessel replacement. These are not distant contingencies; they are near-term certainties. Addressing these issues will require coordinated public and private planning, as well as access to state and federal funding programs not available under the current ferry framework.

Other Ownership and Governance Structures Have Been Studied. Past committees and consultants — including the Purchase Chappy Ferry Committee (2007–2008), the Chappy Ferry Steering Committee (2023), and Maritime Consulting Partners (2024) —

⁵ CFI suggests that the MCP report may reflect a bias in favor of designing and building new vessels rather than maintaining existing vessels, simply by virtue of MCP being in the business of designing new vessels. Services offered by MCP may be reviewed on its website: <https://maritimeconsultingpartners.com/services/>.

have evaluated a range of governance options, including revised private operation with strengthened oversight, ownership by the Vineyard Transit Authority, and nonprofit operation. The MCP study ranked the nonprofit model highest and government ownership second, concluding that no model is financially sustainable without a comprehensive capital funding strategy. A nonprofit entity, Chappy Community Ferry, Inc., pursued acquisition in 2023–2024 before suspending its efforts in November 2024. Governance reforms recommended by both the PCFC and the CFSC remain unimplemented.

A Municipal Enterprise Fund Merits Consideration to Assist Future Owners of the Chappy Ferry. Massachusetts General Laws Chapter 44, Section 53F½ authorizes municipalities to operate fee-supported services through enterprise funds that segregate revenues and expenditures, accumulate capital reserves, and support grant applications — while remaining under full municipal control. This structure, used by other island municipalities for public utilities, would allow the Town to fund ferry operations transparently, plan systematically for capital needs, access state and federal grants, and borrow at municipal rates substantially lower than those available to a private operator. In an analogous context, the City of Grafton, Illinois this year took ownership of the Grafton Ferry from its long-time operator, the Calhoun Ferry Company, in order to access state and federal funding, contracting with Calhoun to continue operating the ferry. This option has not previously been explored in the Chappy Ferry context, and deserves careful analysis.

Methodology

This report is the result of several months of independent research and writing, as well as collective discussion and review, by the members of the Chappaquiddick Island Association (“CIA”) Board. It incorporates a comprehensive review of public records and public meeting recordings available on-line, reports and committee documents collected from past public presentations and former committee members, and material received in response to public records requests to the Town. Where committee minutes were unavailable, transcripts of committee meeting recordings were obtained and reviewed.⁶

A search of the archives of The Vineyard Gazette, Martha’s Vineyard Times, and Martha’s Vineyard Magazine and reference to books on Chappaquiddick and its ferry provided the information on the Chappy Ferry’s history. Description of the legal framework governing the Chappy Ferry is based upon review and analysis of Massachusetts General Laws, the licensing and leasing agreements in effect, letters by counsel for the Town of Edgartown, and copies of recorded instruments.

⁶ Transcripts and other references can be accessed on the ChappyCIA website (<https://chappycia.org>).

A lengthy interview with the current owner-operators of the ferry, the owners of Chappy Ferry, Inc., provided some insight into operations and challenges over the past twenty years and currently, although no confidential financial or operations information was disclosed. Publicly available compilations of data and news reports provided the information for the comparisons of Chappy Ferry fares with various Consumer Price Indices, as well as the comparisons of the Chappy Ferry with other similar ferry services with respect to fares, publicly available data, operation and capital funding, and governance.

The reports and proceedings of other boards and committees, including the Edgartown Select Board, the Purchase the Chappy Ferry Committee, the Chappy Ferry Steering Committee, and the Edgartown Master Plan Committee, and presentations and reports by consultants to the Town, including Fuss & O’Neill Engineers and Maritime Consulting Partners, were relied upon and cited throughout this Report.

History⁷

The Chappaquiddick (“Chappy”) Ferry has served as the sole public transportation link between Edgartown and Chappaquiddick for more than two hundred years, evolving from an informal rowboat crossing into a municipally regulated, climate-vulnerable transportation system of critical importance to the Town of Edgartown. Across more than a century of records, the Town of Edgartown has consistently acknowledged—through its actions, investments, regulatory decisions, and public processes—that the Chappy Ferry is an essential public service. There is no alternative other than this Ferry to enable the growing numbers of permanent and seasonal residents, visitors, and service providers on Chappaquiddick access to emergency services and the necessities of life.

Documented ferry service dates to at least 1807, with organized operations beginning in 1885. For decades the crossing relied on oar-powered skiffs until the launch of the first motorized, car-carrying ferry, the *City of Chappaquiddick*, in 1935. Subsequent vessels — *On Time* (1948), *On Time II* (1969), and *On Time III* (1975) — reflect recurring adaptations to rising traffic demand. Ferry usage has increased substantially during the fifty years since the *On Time III* was launched, in step with the significant growth in the number of year-round and seasonal residents on Chappaquiddick, as well as associated homeowner services.⁸

⁷ This historical summary is based on long-form reporting and archival articles published by *The Vineyard Gazette* and *Martha’s Vineyard Magazine*, which together provide a comprehensive public record of the ferry’s operational, governance, and community history, as well as *The Chappy Ferry Book*, by Tom Dunlop (Vineyard Stories 2012), and *Chappaquiddick, That Sometimes Separated But Never Equaled Island*, 2nd ed., Hatsy Potter, editor (Chappaquiddick Island Association 2008).

⁸ Accurate figures for the growth of residences and population on Chappaquiddick are difficult to access because most available data do not separate Chappaquiddick from the rest of Edgartown. A 1977 *Martha’s Vineyard Gazette* article reports that there were 50 or so houses on Chappy in 1925 and that only a few of those were occupied in the winter. (<https://vineyardgazette.com/news/1977/04/22/chappy-bridge-secession-was-question-51-years-ago>). A 2017 Report prepared by Woody Filley for the Chappaquiddick Island Association, entitled “A Snapshot of Chappaquiddick Island Buildings, Land and People” (Chappy Snapshot Report), reported that in 2016 the number of Chappy lots with

Although privately owned for most of its history, the ferry has long functioned as a public service under county or town license. Over time, the Town of Edgartown has assumed a role in approving rates and schedules, managing landings and leases, responding to service complaints, and planning for emergencies. The Town has invited public input on operation and governance of the Chappy Ferry through appointment of two committees, the Purchase Chappy Ferry Committee (PCFC) in 2007 and the Chappy Ferry Steering Committee (CFSC) in 2020, as well as in public hearings when rate increases and schedule changes are sought. However, committee recommendations have not been adopted by the Town. Since the early 2000s, climate change has emerged as a defining challenge, prompting resilience planning, engineering studies, and limited capital investment beginning in 2021.

As of 2026, the Chappy Ferry remains privately operated but deeply integrated into Edgartown's transportation, climate adaptation, and emergency planning frameworks. Ongoing debates over rates, governance, and infrastructure underscore its unique hybrid status as a private enterprise providing an essential public service.

Regulatory Framework

The Chappy Ferry operates within a distinct regulatory framework established by Massachusetts statute, special legislative acts, and a series of municipal licenses and leases. Together, these authorities define the Town of Edgartown's powers and responsibilities with respect to licensing, rate regulation, property control, and oversight of ferry operations, while allowing the service to be provided by a private operator. The Town's authority to license a ferry derives historically from the state and is governed by centuries-old ferry law providing that each licensed "ferryman shall keep sufficient and safe boats in good repair, and shall give ready attendance on passengers on all occasions according to the regulations established for his ferry."⁹ The Town's retained enforcement powers (including license revocation or takeover in the event of public emergency) are explicitly tied to ensuring continuous availability of service. As discussed by Edgartown Town Counsel Locke Lord in an August 20, 2007 letter answering questions on the scope of the Town's authority over the ferry, the Town has

at least one house was 434, with 104 of those having 2 or more houses. The 2020 Decennial U.S. Census reports 758 (+/- 282) housing units and a residential population of 253 on Chappaquiddick(https://data.census.gov/profile/Block_Group_1,_Census_Tract_2003,_Dukes_County,_Massachusetts?g=1500000US250072003001#housing). These data points would suggest an exponential increase in residences and population on Chappaquiddick during the hundred years between 1925 and 2025.

⁹ Mass. Gen. Laws c. 88, § 3; St.1796, c. 42 "An Act for Regulating Ferries."

authority under state statute and the license and lease to ensure that the Chappy Ferry “give ready attendance on passengers on all occasions.”¹⁰

Statutory and Legislative Authority

The foundational legal authority for ferry operations in Massachusetts is contained in Massachusetts General Laws Chapter 88. Codified into the General Laws in 1920, the statute incorporates separate eighteenth and nineteenth century statutes governing ferries and ferry landings. Under Chapter 88, ferry services may be licensed by governmental authorities, and tolls are to be established with regard to the length and situation of the ferry and the number of users. Historically, these powers rested with county commissioners.

Through a 1962 special act of the Massachusetts Legislature, all authority over the Chappaquiddick Ferry that would otherwise have been exercised by Dukes County was transferred to the Edgartown Select Board.¹¹ As a result, the Town now serves as the licensing authority and the rate-setting body for the ferry, exercising powers equivalent to those otherwise assigned to county government.

Additional special legislative acts enacted in the early 1990s¹² authorized the transfer of ownership of the ferry slips, ramps, and related landing infrastructure from the Commonwealth to the Town. These acts provided the legal basis for municipal ownership and control of the ferry landings and associated facilities. At a Special Town Meeting in 1991, the Town voted to transfer ownership of the landing infrastructure to the then operator of the Chappy Ferry, Edgartown Ferry, Inc., on the condition that improvements be made at the operator’s expense.¹³

At the federal level, the ferry vessels themselves are subject to U.S. Coast Guard (USCG) regulation,¹⁴ including inspection, certification, and safety requirements applicable to inspected passenger vessels.

Additional regulatory layers include Massachusetts environmental and coastal permitting laws, as well as local bylaws and permitting requirements (e.g., harbormaster, conservation commission, building code)

¹⁰ Locke Lord letter to Edgartown Town Counsel Ronald H. Rappaport, dated August 6, 2020, answering questions posed by the Chappy Ferry Steering Committee (“Locke Lord letter of August 6, 2020”).

¹¹ Massachusetts St. 1962, c. 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.”

¹² Massachusetts St. 1991, c. 332 “An Act Exempting the Town of Edgartown from Certain Public Bidding Requirements.”

¹³ Report of Special Town Meeting, June 25, 1991. This action appears to have been motivated by the refusal of Edgartown Town Meeting in 1990 to appropriate \$300,000 to rebuild the ferry ramps. *The Chappy Ferry Book*, p. 108.

¹⁴ 46 CFR § 2.01-7.

Ferry License and Operational Regulation

The ferry operates pursuant to a municipal Ferry License originally issued in 1993. The license authorizes the operation of ferry service between Edgartown and Chappaquiddick and establishes the framework for public oversight. While the license does not impose traditional public utility regulation, it requires that ferry schedules and maximum rates be approved by the Select Board following a public process. The Select Board also has the authority to regulate all classes of fares but is not obligated to do so.¹⁵

The license was initially issued for a defined term and provides for automatic renewal in successive periods, subject to the Town's right to deny renewal for "just cause." Just cause is not limited to operator misconduct; it may include broader determinations that the public interest would be better served by a different operational arrangement, provided the Town's decision is made in good faith and is not arbitrary or capricious.¹⁶ The Ferry License may be transferred to another operator with Select Board approval, which approval may not be unreasonably withheld. In considering a proposed transfer, the Town may evaluate the qualifications, financial capacity, and service capability of a prospective purchaser. If a new license is issued or a transfer approved, the Town may impose reasonable conditions, including enhanced financial disclosure or more explicit rate-review criteria, provided those conditions relate to legitimate public purposes. Chapter 88 provides for operation of the ferry by the Town if no private operator is willing to provide the service for profit.¹⁷

Ground Lease and Control of Physical Assets

In parallel with the Ferry License, ferry operations are governed by a Ground Lease between the Town and the ferry operator covering the use of the ferry landings and related facilities. The Ground Lease grants the Town broad authority, including the right to terminate the lease at any time, for any reason or no reason, and to purchase the ferry-related improvements at fair value, subject to a defined monetary cap. The lease structure reflects a policy choice to retain municipal control over ferry landings while allowing a private operator to invest in, maintain, and improve the facilities. Legislative authorization for the transfer of the landings also encompasses

¹⁵ Locke Lord letter of August 6, 2020, noting that Select Board approval of special fares and discounts below maximum fares would not require a public hearing.

¹⁶ Palmer & Dodge letter of September 11, 2007 advising the Town of Edgartown regarding certain questions posed by the Purchase the Chappy Ferry Committee.

¹⁷ Municipal ownership could alter the cost structure—potentially reducing financing and insurance costs while increasing procurement obligations—but would not fundamentally alter the Town's statutory authority over rates and service levels. Town ownership of the ferry with operations contracted to a private operator also would be an available option. Many Massachusetts towns contract with private entities for the operation of municipally owned facilities. For example, in 2009, there were 63 municipally owned golf courses in Massachusetts, 53 of which were operated by private parties under contracts or leases with the municipality, and 10 of which were operated by town employees. See Office of the Massachusetts Inspector General Advisory on Municipal Golf Course Management Contracts (2009), accessed at <https://www.mass.gov/doc/advisory-on-municipal-golf-course-management-contracts/download#:~:text=The%20OIG%20review%20focused%20on,well%20as%20municipal%20finance%20laws>.

leasing arrangements, and the lease has been determined not to conflict with Massachusetts public bidding requirements.¹⁸

Rate-Setting and Competitive Status

The Chappy Ferry operates as the sole vehicle and passenger transport to and from Chappaquiddick. It is effectively a municipally licensed monopoly, with exclusive rights to operate a ferry at the town-owned landings granted through the Town's license and lease of the landings. However, under Massachusetts law, ferry services are not classified as public utilities or common carriers subject to regulation by the Massachusetts Department of Public Utilities. As a result, there are no statutory profit caps or mandated profitability standards.¹⁹

The Chappy Ferry Steering Committee has recommended that: "the Select Board incorporate into relevant agreements with the Chappy Ferry operator that rates will be established at a level intended to provide the Operator with total annual revenue sufficient to cover all reasonable operating expenses of the ferry (including interest and depreciation) and provide on average a return on equity of 5-10%. At least every three years, a designee of the Select Board will review the financial performance of the ferry during the prior three years and, in the event the average annual return on equity was outside the 5-10% range, then an appropriate adjustment to the fares will be made. In addition, as part of this process, approval by the Select Board of modifications of all fare classes (not just cash fares) after fair notice to the community will be required."²⁰ No action has been taken by the Select Board on this recommendation.

Rate-setting authority remains with the Select Board, subject to the general legal requirement that rates be reasonable, not arbitrary or capricious, and not unlawfully discriminatory. The governing statutes provide flexibility in fare structures, including the use of commuter books, resident discounts, and other tiered pricing, so long as these standards are met.

The Select Board is expressly granted under the license the right to review the ferry operator's financial records on a confidential basis when evaluating requests for rate or schedule changes. This right is discretionary and resides solely with the Select Board; it may not be delegated to advisory committees or other municipal officials. This limitation could be removed by the Select Board through changes to the terms of the ferry operating license.

2019 Financing Agreement (Edgartown/Martha's Vineyard Savings Bank/Chappy Ferry Inc.)

In September 2019, the Town of Edgartown, Chappaquiddick Ferry, Inc. ("CFI"), and Martha's Vineyard Savings Bank ("Bank") entered into an Agreement in connection with

¹⁸ Palmer & Dodge letter of September 11, 2007.

¹⁹ Palmer & Dodge letter of September 11, 2007.

²⁰ CFSC Meeting Minutes of January 12, 2022.

the Bank's financing of CFI's ferry operations.²¹ The Agreement does not replace or amend the underlying 1993 Ground Lease or 1993 License governing the Chappaquiddick Ferry. Instead, it establishes a framework under which the Town agrees to temporarily constrain certain rights it otherwise holds under those documents in order to facilitate private financing secured by CFI's leasehold and operating rights. Specifically, the Town agreed to:

- Delay termination and licensing actions,
- Provide extended notice and cure periods,
- Accommodate foreclosure and transfer processes, and
- Direct certain payments to the Bank rather than the operator.

The Agreement was required by the Bank as a condition of providing CFI with a \$2.1 million financing package secured by a leasehold mortgage and an assignment of ferry-related rights and permits. The Town's participation was requested to protect the Bank's collateral interest while preserving the Town's ultimate authority over ferry operations, public safety, and continuity of service.

In the Agreement, the Town formally recognized the Bank's leasehold mortgage and collateral assignment as a permitted mortgage under the Ground Lease. The Town agreed to provide the Bank with notice of any defaults under the Lease or License and granted the Bank defined opportunities to cure such defaults before the Town may exercise certain termination or enforcement rights.

Although the Town retained its general right under the Lease to terminate at will, the Agreement significantly limited that right while the mortgage remains in effect. Specifically:

- The Town agreed not to terminate the Lease prior to its stated expiration date unless a defined "Event of Default" has occurred.
- Events of Default are limited to material monetary or non-monetary breaches, and the Agreement establishes extended cure periods, including cure rights for the Bank that are substantially longer than those provided to CFI alone.
- During these cure periods, the Town may not terminate the Lease even if it otherwise could under the Lease.

These terms represent a material, time-limited restriction on the Town's unilateral termination authority in favor of protecting the Bank's secured interest.

Similarly, while the Town retained its regulatory authority over the License:

- The Town agreed not to suspend, revoke, or decline to renew the License while the mortgage is in effect except for "good cause" and only after providing at least six months' prior written notice to both CFI and the Bank.

²¹ The 2019 Agreement executed by CFI, MV Savings Bank, and the Town of Edgartown was obtained by the CIA pursuant to a public records request to the Town of Edgartown.

- The Bank is granted the opportunity during this period to foreclose and propose a replacement ferry operator acceptable to the Town.
- If a qualified replacement operator is presented within the allowed timeframe, the Town agrees to waive its right to purchase the ferry assets under the License.

These provisions temporarily limit the Town's ability to exercise immediate licensing remedies, again in deference to the Bank's collateral rights.

The Agreement explicitly contemplates that the Bank's primary means of curing defaults may involve foreclosure and the installation of a new ferry operator. The Town agreed that:

- It will not unreasonably withhold approval of a proposed replacement operator that meets specified standards of competence, financial capacity, character, and public service.
- Any approved transferee must enter into a direct agreement with the Town and assume all obligations under the Lease and License.

These provisions preserve Town oversight while restricting discretionary denial of transfers during foreclosure or workout scenarios.

Importantly, the Agreement preserves the Town's authority to protect public safety and ferry continuity:

- The Town retains its right to take over ferry operations under the License if CFI's failures materially threaten ferry service.
- The Agreement expands the duration of permissible Town takeover during certain default or licensing cure periods, reinforcing the Town's operational backstop role.

Thus, while the Agreement constrains termination rights, it preserves the Town's emergency and interim operational authority.

If the Lease or License is terminated while the mortgage is in effect, the Town agrees to:

- Pay any required purchase price or compensation directly to the Bank rather than to CFI.
- Treat such payment as fully satisfying the Town's obligations under the Lease or License.
- Act, if necessary, as CFI's attorney-in-fact to complete required conveyance documents.

These provisions ensure that the Bank's secured interest is protected but that the Town's financial obligations are not increased beyond those already established in the Lease and License.

Gaps and Limitations

The regulatory framework governing the Chappy Ferry provides the Town with substantial legal authority but also contains notable gaps and limitations. In particular, the absence of enforceable standards constrains effective protection of the public interest, particularly in the areas of transparency, accountability, rate oversight, and long-term planning.

Although state law and special legislative acts vest the Town with extensive discretion over ferry licensing and rate-setting, the governing statutes provide only general guidance, requiring that tolls be set with regard to ferry length, location, and usage, without establishing substantive standards for affordability, service adequacy, financial performance, or public benefit. As a result, critical oversight mechanisms—such as financial review, service evaluation, and rate justification—have been regarded as optional by the Select Board rather than required. The Select Board may review confidential financial records when considering rate changes, but it is under no obligation to do so, nor is it required to apply defined criteria when approving fares or schedules. This discretionary structure creates the potential for inconsistent oversight and limits institutional accountability over time.

As confirmed by Town Counsel, neither the Town Accountant nor a committee such as the PCFC may review ferry financials unless expressly authorized by the licensee.²² This limitation restricts the Town's capacity for sustained, expert, or continuous oversight and places significant informational burdens on a volunteer board with multiple competing responsibilities. The absence of independent review mechanisms limits the Town and the public's ability to assess whether rates, revenues, and costs align with the public interest.

The Chappaquiddick Ferry operates as a municipally licensed monopoly, yet it is not classified as a public utility or quasi-public utility under Massachusetts law. Consequently, it is not subject to external regulatory review by the Department of Public Utilities, nor to statutory requirements governing rates of return, service standards, or financial reporting. While courts require that municipal actions not be arbitrary or capricious, this standard affords substantial deference and does not substitute for affirmative regulatory safeguards. The absence of profit limitations, rate-of-return standards, capital planning or funding requirements, or routine financial disclosure obligations leaves the Town reliant on its own discretionary actions to protect users from excessive rates or service degradation.

Although rate and schedule changes must be approved through a public process, the financial information underlying those decisions may be reviewed only confidentially and is precluded from being disclosed publicly. As a result, members of the public and other municipal bodies have limited insight into the basis for rate increases or operational changes. This structure creates a disconnect between public hearings and financial

²² Locke Lord letter of August 6, 2020.

justification, reducing the effectiveness of public participation and limiting informed debate about ferry operations, affordability, and service equity.

The 1993 Ferry License provides for automatic renewals, subject to nonrenewal for “just cause.” While just cause is broader than operator misconduct and may include public-interest considerations, the burden rests with the Town to articulate and defend its rationale. The 2019 Agreement between the Town, the ferry operator, and its lender places additional limitations on the Town’s rights in this regard. In practice, this structure favors continuity of the incumbent operator and may discourage periodic reassessment of whether the licensing arrangement continues to serve evolving public needs. Notably, the framework does not require regular performance reviews, benchmarking against comparable ferry services, or formal findings at renewal intervals, thereby limiting proactive governance.

The Ground Lease gives the Town control over physical assets, including termination rights and caps on the value of improvements. However, these contractual protections are primarily financial and property-oriented and do not directly address service quality, reliability, user experience, or fares. As a result, ownership of essential infrastructure does not automatically translate into enhanced leverage over operational outcomes that matter most to ferry users.

Taken together, the statutory, licensing, and lease framework provides the Town with tools but does not require their systematic use. There is no mandated long-term planning process, no required articulation of public-interest objectives, and no periodic assessment of whether private operation, municipal ownership, or alternative models would best serve the community. This absence of structural requirements means that protection of the public interest depends largely on the initiative, expertise, and continuity of Select Board members rather than on durable governance mechanisms.

Chappy Ferry Operations Today

The Chappy Ferry has evolved with the island of Chappaquiddick (“Chappy”). Ferry use, like the population and year-round residency of Chappy, has grown significantly over the past fifty years.²³ In addition to full time and seasonal residences, Chappy is also home to a 15-acre public golf course, a private beach club, a community center, an

²³ As discussed previously in footnote 7, precise figures on the growth of residences and population on Chappaquiddick over the past 50 years are difficult to obtain because data for Chappaquiddick is not collected separately from Edgartown as a whole. However, in addition to the population information reviewed in footnote 2, a review of assessment data for Edgartown as a whole compared to one study of assessment data for Chappaquiddick suggests substantial growth. The 2017 Chappy Snapshot Report presented an analysis reflecting that the total assessed value of land and buildings on Chappaquiddick between 2000 and 2016 grew from \$268,636,400 to \$947,978,340, an increase of 352% (page 13). This compares to a lesser increase of 330.4% for total property value assessment in Edgartown as a whole over the same period. Increases in total assessment value for both Chappaquiddick and Edgartown as a whole include both increases in property values and “new growth” (i.e., new construction). The greater increase in total assessment value on Chappaquiddick suggests that new construction on Chappaquiddick outpaced that in Edgartown.

Edgartown Yacht Club sailing facility, a shellfish hatchery, a small marina, one store with a food truck, a Japanese garden open to the public, renowned fishing grounds for beach surf casting and shell fishing, and miles of public beaches and walking trails. Today, the ferry functions as the only means of access, as well as the critical lifeline for emergency response and community safety, for a much larger number of residents and visitors. The Town of Edgartown has long acknowledged the necessity of the Chappy Ferry and its importance to the vitality of Edgartown.²⁴

Emergency Access, Evacuation and Public Safety

The role of the Chappy Ferry in emergencies arises from the geographic reality that Chappaquiddick is physically separated from Martha's Vineyard by water, and there is no fixed bridge connection except over a barrier beach which is only occasionally extant and open for passage.²⁵

Emergency services provided by Chappy Ferry are through the voluntary and community-minded cooperation of Chappy Ferry, Inc. Through this informal arrangement, the ferry is integrated with local emergency services and maintained through coordinated protocols. As described by CFI, with respect to emergency preparedness, the ferry functions as another department of the town, just privately owned. In the event of a medical emergency, fire, or law enforcement need, residents and visitors are uniformly instructed to dial 911. This call automatically engages the Dukes County Communications Center, which notifies the appropriate emergency responders *and* the ferry operator if needed. The ferry crew is then mobilized (whether during or outside ferry operating hours) to ensure rapid passage for the patient, ambulance, or other responders.²⁶

²⁴ See Edgartown Master Plan of April, 1990 on p. 9, proposing a transportation goal “[t]o provide an efficient circulation system to serve Edgartown’s economy, public safety, convenience and regional linkage, consistent with the preservation of neighborhoods and historic integrity and minimizing environmental impacts,” stating as the rationale that “[t]he continued vitality of Edgartown depends on the efficient movement of people, goods and services,” and including as an objective “[t]o maintain a ferry system servicing the needs of Chappaquiddick residents.” The 1990 Plan may be accessed at:

<https://www.edgartown-ma.us/home/showpublisheddocument/12090/637404240445270000>.

²⁵ See 2025 Edgartown Master Plan (noting that because Chappy is separated from the main island and is subject to natural disasters such as hurricanes, coastal flooding, and winter storms, emergency response systems — including the ferry and 911 connectivity — are essential public safety components)

<https://www.edgartown-ma.us/home/showpublisheddocument/27781/638937026781730000>. The Town of Edgartown Community Resilience Building Workshop Summary of Findings (Woods Hole Group, 2019), on page 6, identifies Chappaquiddick Island as one of the top four areas vulnerable to climate hazards in Edgartown

<https://www.mass.gov/doc/town-of-edgartown-community-resilience-building-workshop-summary-of-findings/download>.

²⁶ Peter Wells of Chappy Ferry, Inc. detailed emergency response and evacuation procedures for Chappaquiddick in a 2022 column in the Martha's Vineyard Gazette.

<https://vineyardgazette.com/news/2022/01/12/chappaquiddick-town-column-jan-14#:~:text=1%20Comment,drive%20them%20through%20salt%20water>. In 2018, Fire Chief Alex Schaeffer described storm emergency procedures for Chappaquiddick to the Edgartown Select Board, noting that Edgartown FD has “a great relationship with the ferry and [that] there are two EMS people that live on Chappy and can act as triage in case of an emergency.” Edgartown Select Board Minutes for March 5, 2018.

Local reporting and community accounts affirm that the ferry has been instrumental in real emergency medical evacuations — including during severe weather when scheduled operations were disrupted. In one documented case associated with Tropical Storm Irene, the ferry crew and local EMTs effectively coordinated to transport an injured child and family from Chappaquiddick to the hospital, despite challenging conditions. Community members expressed gratitude for the seamless teamwork among ferry personnel, EMTs, and hospital staff in that emergency.²⁷

Additionally, local news reports detail practical emergency maneuvers used when routine ferry service is curtailed. For example, when adverse conditions interrupt regular operations, Chappaquiddick’s volunteer firefighters and EMTs may walk on foot to the ferry point, board, and then operate emergency vehicles staged on the island or on the Vineyard side for rapid response.²⁸ This layered coordination illustrates adaptability when the system is under stress.

The role of the Chappy Ferry in emergency planning is also documented through community organizations such as the Chappy Community Emergency Response Team (CERT). These groups work to prepare residents for natural disasters and other emergencies, emphasizing both self-sufficiency and understanding of the ferry’s pivotal access role. The CERT materials highlight that ferry services could be disrupted by storm regulations or flooding, so residents should prepare accordingly for sheltering in place or coordinated evacuation.

Taken together, the public record establishes that the Chappy Ferry is far more than a casual transportation link. It is a key operational asset in emergency response and evacuation logistics. Through close coordination with emergency dispatch, fire and police departments, EMTs, and community volunteers, the ferry supports rapid access and safe passage during medical crises, severe weather events, and other situations requiring timely intervention.

Despite the critically important role of the Chappy Ferry in any emergency response, the Select Board has not required that the emergency procedures be codified, nor has it incorporated emergency response obligations into the ferry license to ensure that the existing procedures are carried over to future ferry operators.

Assets, Condition, Capacity, and Finances

The ferry service, currently owned and operated by Chappy Ferry, Inc., is supported by two primary vessels, historically referred to as the *On Time* ferries, which together form the operating fleet. In addition to the vessels themselves, the service relies on a range of shore-side infrastructure, including loading ramps, hoists, slips, fueling systems, ferry

²⁷ <https://vineyardgazette.com/news/2011/08/29/storm-erodes-south-shore-imperiling-homes>

²⁸ See, e.g., Edgartown Select Board Minutes of March 5, 2018, (Fire Chief Schaeffer reported that an ambulance had been staged on Chappy for coverage during a recent severe storm and noted the fire department’s “great relationship with the ferry.”).

houses, and service vehicles. These assets are integral to daily operations and continuity of service.

A review of publicly available U.S. Coast Guard records shows that the vessels have undergone regular inspections and continue to maintain valid certificates of inspection and that any deficiencies have been timely resolved.²⁹ Consultant reports and committee discussions consistently characterize the ferries as aging but serviceable. However, these same discussions note that maintenance demands have grown more complex over time as the vessels age. If a capital plan or capital funding exists for the replacement of the ferries which ultimately will be necessary, it is not publicly available. Shore-side ramps and other infrastructure have been identified as particularly vulnerable to flooding and sea level rise posing increasing risks to long-term reliability and resilience.³⁰ A Town-funded study of how to address infrastructure needs is underway,³¹ but neither the Town nor Chappy Ferry, Inc. has publicly committed to funding implementation of infrastructure improvements.

The capacity of the Chappy Ferry, with two ferries running, is estimated by the Martha's Vineyard Commission to be approximately 30 vehicles per hour in both directions.³² Reliable analysis of the adequacy of ferry capacity is hampered by the absence of data on ferry usage, including types of users (e.g., passengers, cars, trucks, commercial vehicles, bicycles, motorcycles), seasonal and daily usage patterns, wait times, and the length of queues.³³ There is no doubt that ferry capacity is significantly reduced when only one ferry is in service due to scheduling, staffing limitations, or maintenance needs. Regularly occurring long vehicle wait lines, even with two ferries in service, strongly suggest a need for additional capacity.³⁴

²⁹U.S. Coast Guard records of vessel inspections can be found at: <https://cgmix.uscg.mil/PSIX/PSIXSearch.aspx>

³⁰ See *Looking Forward: Climate Change Adaptation Context, Edgartown* (Martha's Vineyard Commission Report 2020), p. 5, accessed at: <https://www.mvcommission.org/sites/default/files/docs/Edgartown%20Climate%20Change%20Context%202020%20FINAL.pdf>

³¹ Chappy Ferry Steering Committee ("CFSC") minutes of December 7, 2021, June 2, 2022, June 23, 2022 (discussing Fuss & O'Neill engineering work-plan to support future funding and sea-level resiliency efforts in draft), and CFSC minutes of November 21, 2022 (providing an update on progress and a report that a \$160,000 grant to fund the study had been secured, leaving only \$40,000 in town funding necessary).

³² *Martha's Vineyard Transportation Plan for 2016 to 2040* (MVTP 2016-2040), p. 47, accessed at <https://www.mvcommission.org/sites/default/files/docs/MVTP%202016-2040%20lo%20rez.pdf>.

³³ A summer 2002 MVC survey showed the ferry users roughly evenly split among Chappy residents, service vehicles, and tourists/recreationists. MVTP 2016-2040, p. 47.

³⁴ The MVTP 2016-2040 notes that "the demand to make the trip [on the Chappy Ferry] creates vehicle queuing on many days in the summer for users on both sides of the harbor. Waits of more than an hour increasingly occur. Queuing on the narrow downtown Edgartown streets can extend a few blocks at peak times and coordination requires at least two traffic control officers. The back-up in the narrow downtown streets of Edgartown at peak times does block residents' driveways and create impassable roadways. The queuing in downtown Edgartown varies from hour to hour and day to day making it difficult to count the total hours of delay." MVTP 2016-2040, p. 47.

The need for a third ferry, a larger ferry, or additional backup capacity has been a recurring topic in the public record for more than twenty years, with no concrete decision, construction plan, or identified funding source being made publicly available.³⁵ A third ferry is even more important to emergency services than to capacity – when one vessel is out of the water for maintenance, the Chappy Ferry is without redundancy enabling it to continue operations in the event of mechanical failure or storm damage. CFI owner/operator Peter Wells has said that he doesn't sleep well at night when only one boat is in the water.

From a financial perspective, the ferry service relies exclusively upon fare revenue for all operating and capital expenses. While the operator has asserted that the service is self-sustaining, no financial information on revenues, operations, or capital needs is publicly available. This absence of data limits independent assessment of the long-term financial sustainability and public interest implications of the current operating model.

Level of Service

The publicly available information on the Chappy Ferry's level of service indicates that operational oversight relies largely on informal management information. No performance data is published by CFI. A review of Edgartown Select Board minutes for the past twenty years reveals occasional mention of schedule adjustments and temporary constraints on Chappy Ferry service³⁶ but no discussion of any parameters by which level of service might be evaluated. The absence of consistent reporting on specific parameters constrains the Town's ability to objectively evaluate service quality, operational resilience, and fairness across seasons and user groups.

The Chappy Ferry Steering Committee has discussed the benefits of adoption of formal Key Performance Indicators (KPIs) for Chappy Ferry service.³⁷ KPIs are quantifiable measures used to evaluate how effectively a service meets its core objectives, such as reliability, efficiency, safety, and responsiveness to demand. In the context of ferry operations, KPIs allow policymakers and the public to assess performance over time, identify trends, and evaluate whether service levels align with community needs and public expectations. The Steamship Authority, for example, measures and publicly reports on nine KPIs.³⁸ Potential operational KPIs for the Chappy Ferry include types of

³⁵ See Edgartown Select Board Minutes of February 12, 2007, in which Roy Hayes, prior owner/operator of the Chappy Ferry, discusses the need for construction of new, wider ferries, and Peter Wells/CFI's first Newsletter, distributed to Chappaquiddick Island Association membership on April 7, 2008, discussing the need for a third ferry, plans for its construction, the intended name for the vessel, and implementation of fare increases to cover the cost of construction. See also *The Chappy Ferry Book* at p. 122.

³⁶ See, e.g., SB Minutes of October 3, 2011 and August 19, 2013 (discussing reduction of Chappy Ferry service to one ferry).

³⁷ See the proposed ferry license drafted by CFSC incorporating performance standards, accessed at <https://www.edgartown-ma.us/home/showpublisheddocument/29220/639107322982730000>.

³⁸ See <https://ellio.raftelis.com/Performance/PublicReport/cmVwb3J0SWQgPSAyNDEsIHBsYW5JZCA9IDew>.

users, passenger and vehicle wait times, mechanical reliability, seasonal and daily demand patterns, pricing equity, and the frequency and nature of emergency incidents.

Fare management under the current framework is characterized by a complex classification system, with five pages of fares published on-line.³⁹ There is one automated ticket machine on the Edgartown side of the ferry which accepts credit cards. Otherwise, fare collection is done on a cash or check basis.⁴⁰ Rates vary for “resident” vs. “non-resident” users⁴¹ and among different vehicle types. Books of tickets are available at a discount. While this structure provides flexibility, it also introduces complexity and sometimes controversy. Multiple fare increases have occurred under the current ownership, prompting the public to raise concerns regarding the transparency of the decision-making process and the adequacy of public communication surrounding fare adjustments.⁴² The comparative pricing analysis presented later in this report suggests that the Chappy Ferry’s fares are relatively high when compared with other short-haul ferry services. Without financial and operating data for the Chappy Ferry, it is not possible to understand why. The Chappy Ferry fare structure is also more complex than many comparable systems.

Frequently occurring lengthy wait times for vehicle crossings, and the resulting long queues of vehicles on Daggett Street and Simpson’s Lane in Edgartown, have been a topic of concern and discussion for many years. Wait times are observed to increase during periods of peak demand in high season and when only one ferry is in operation to accommodate maintenance. When taking up these issues, the Edgartown Select Board has focused on traffic management and vehicle staging.⁴³ Minutes of the Select

³⁹ <https://chappyferry.com/fares/>.

⁴⁰ The CFSC discussed requiring CFI to adopt a “town-approved point-of-sale system” to record fare transactions and provide an auditable revenue trail in order to improve data accuracy and to reduce speculation about cash handling. CFSC minutes of December 15, 2022.

⁴¹ The current resident fare discount policy appears to have been presented to the Edgartown Select Board by the immediately previous ferry owner/operator, Roy Hayes, at a meeting on February 12, 2007 (Edgartown Select Board Minutes of February 12, 2007). For purposes of the resident discount, a “resident” is defined as a person who has lived on Chappaquiddick continuously for the preceding 12 months, spending no more than 45 days off the island, as determined by the Chappy Ferry. There has been much controversy in the Chappaquiddick community over the standard for resident discount eligibility and the means of making eligibility determinations. See, e.g., Edgartown Select Board Minutes for June 30, 2025.

⁴² See, e.g., Edgartown Select Board Minutes for May 5, 2008, May 6, 2019, February 3, 2020, December 12, 2022, June 16, 2025, and July 21, 2025.
<https://www.edgartown-ma.us/downloads/-loadingmode-PreviewContent/-folder-248>

⁴³ In 1993, the Select Board discussed with Roy Hayes, then the Chappy Ferry operator, and the Chief of Police management of the line of traffic waiting for the Chappy Ferry on Daggett Street and Simpson’s Lane. Edgartown Select Board Minutes for June 8, 1993. In 2007, the Select Board evaluated a proposal to purchase lots belonging to the Shiretown Inn for the purpose of providing a staging area for the Chappy Ferry as well as additional parking for downtown Edgartown. See, e.g., Edgartown Select Board Minutes for May 7, 2007. The Town engaged a consultant to conduct a comprehensive study of ferry line management in 2016. Edgartown Select Board Minutes for June 13 and July 25, 2016. Management of the ferry line was a topic at Select Board meetings on August 8, 2011, October 3, 2011, September 10, 2012, July 29, 2013, August 19, 2013, January 6, 2014, June 15, 2015, May 31, 2016, June 13, 2016, July 25, 2016, and May 14, 2018.

<https://www.edgartown-ma.us/downloads/-loadingmode-PreviewContent/-folder-248>.

Board's meetings from 2007 to 2025 do not reflect any discussion or consideration of ferry capacity as an independent topic.

The hours of operation vary seasonally, with clear distinctions between winter and summer schedules. While the adequacy of these hours is frequently debated, the record does not reflect a formal evaluation or performance analysis—such as demand-based KPIs—to assess whether operating hours appropriately meet year-round community and emergency needs.

Finally, the “cut line” option functions as a priority access mechanism for emergency services and selected users. Its rules and eligibility have been periodically modified by the ferry operator with approval of the Edgartown Select Board.⁴⁴ Despite its operational significance, data on cut line users and usage remains limited, further underscoring the broader lack of systematic data collection and KPI-driven oversight.

In summary, the publicly available record reflects a ferry operation that is functional but characterized by frequent long wait times and traffic queues, limited formal performance measurement, public concerns about transparency and accountability, and an absence of consistent data-driven evaluation. The development and regular public reporting of clear KPIs—covering reliability, wait times, emergency readiness, pricing equity, and seasonal capacity—would materially strengthen the Town's ability to oversee, and the community's ability to evaluate, this essential service in the public interest.

Chappy Ferry Fare History Compared with U.S. Inflation

Since 2008, passenger and auto fares appear to have increased much more than the Consumer Price Index. There are no data to explain this discrepancy.⁴⁵ The non-resident and resident fares for individual tickets and books of tickets reflected in the following charts are determined at the discretion of the Chappy Ferry based on unknown and unpublished criteria. To date, the Town has declined repeated requests by the Chappy Ferry Steering Committee and the public to exercise due diligence in oversight not only of maximum fares but of all fare classes.

The following analysis compares changes in Chappaquiddick Ferry fares since 2008 with changes in the U.S. Bureau of Labor Statistics' (BLS) U.S. Consumer Price Index (CPI), a standard measure of overall consumer price inflation.⁴⁶ From 2008 to the present, U.S. CPI increased by approximately 45%, while the more local Boston–Cambridge–Newton MA(BCN) CPI increased by approximately 49% over the

⁴⁴ See, e.g., Edgartown Select Board Minutes for July 8, 2019, July 22, 2019, September 30, 2019, August 30, 2021, and September 29, 2025, which may be accessed at:

<https://www.edgartown-ma.us/downloads/-loadingmode-PreviewContent/-folder-248>.

⁴⁵ It is possible that increases reflect any capital and operational costs paid by the operator that need to be recouped, but no financial data are publicly available which would allow a determination.

⁴⁶ U.S. Bureau of Labor Statistics (BLS), Consumer Price Index for All Urban Consumers (CPI-U).

same period.⁴⁷ The U.S. Department of Transportation’s (DOT) Transportation CPI (CPI-T) increased by 39.6% for that same period. The CPI-T tracks what households pay for getting around—both owning/operating vehicles and using transportation services.⁴⁸ Over this period, Chappaquiddick Ferry fares increased by 62 to 286%, depending on ticket category.⁴⁹

- Non-resident cash fares rose well above inflation, with passenger fares increasing approximately 66.7% and automobile fares approximately 70%.
- Resident fares also exceeded CPI, with resident passenger fares increasing approximately 224% and resident automobile fares increasing approximately 62%.
- Discounted passenger book fares showed the largest increase, rising approximately 286%.
- On an annualized basis, ferry fares grew at approximately 3.0 to 8.3% per year, compared with an average BLS CPI increase of approximately 2.2%.
- Over the same period, the Boston–Cambridge–Newton (BCN) Consumer Price Index increased at an annualized rate of about 2.4% per year.
- CPI-T Increased at an annualized rate of about 1.86% per year over the same period.

Overall, the data show that Chappaquiddick Ferry fare increases have consistently outpaced broader consumer price inflation over the past seventeen years.

In the following tables, all figures are adjusted to allow apples-to-apples comparisons across fare categories. Dollar comparisons presented later in this report reflect fares adjusted to a CPI-tracked benchmark, illustrating the difference between observed fare levels and inflation-aligned pricing.

Table 1. Non-Resident (N-R) Cash Fare Increases

| Category | 2008 Fare | Current Fare (at 1/2025) | Total Increase | CPI BCN | CPI-T |
|--|-----------|--------------------------|----------------|---------|-------|
| N-R Passenger (ticket) | \$3.00 | \$5.00 | +66.7% | ≈49% | ≈39% |
| N-R Auto (+ driver) | \$10.00 | \$17.00 | +70.0% | ≈49% | ≈39% |
| Note: Fare increases are shown as cumulative percentage changes from 2008 to present. BCN CPI benchmark (≈49%) is based on BLS CPI-U data. All values are shown on a per-round-trip basis. | | | | | |

⁴⁷ Ibid, Consumer Price Index for All Urban Consumers in the Boston, Cambridge, Newton geographic area; (BCN CPI).

⁴⁸ Ibid, Consumer Price Index for Transportation (CPI-T).

⁴⁹ Based upon Vineyard Gazette and Martha’s Vineyard Times reporting on Chappaquiddick Ferry fare approvals, resident ticket books, and governing board actions (2008–present) and 2025 Chappaquiddick Ferry published fare schedules, accessed at <https://chappyferry.com/fares/>.

Table 2. Non-Resident Discounted Book Fare Increases

| Category | 2008 Fare | Current Fare (at 1/2025) | Total Increase | CPI BCN | CPI-T |
|---|-----------|--------------------------|----------------|---------|-------|
| N-R Passenger (book) | \$1.00 | \$3.86 | +286% | ≈49% | ≈39% |
| <p>Note: All “book” fares shown are round-trip per passenger equivalents, derived from published book totals divided by the number of round-trip tickets (MV Times, Feb. 4, 2020; Vineyard Gazette, June 26, 2025).</p> | | | | | |
| <p>Note: Dollar comparisons show actual current fares versus BCN CPI-tracked fares calculated by applying cumulative CPI growth to 2008 base fares. All values are shown on a per-round-trip basis.</p> | | | | | |

Table 3. Resident (R) Fare Increases (Adjusted)

| Category | 2008 Effective Fare (Ticket) | Current Fare (at 1/2025) (Book) | Total Increase | CPI BCN | CPI-T |
|--|------------------------------|---------------------------------|----------------|---------|-------|
| R Passenger | \$1.00 | \$3.24 | +224% | ≈49% | ≈39% |
| R Auto (+ driver) | \$4.00* | \$6.48 | +62% | ≈49% | ≈39% |
| <p>Note: Resident Passenger baseline (\$1.00) derived from MV Times (Feb. 4, 2020), which reported a 50-ticket resident walk-on book increased from \$50 to \$75 (i.e., \$1.00 per round trip prior to Oct. 2019).</p> | | | | | |
| <p>Note: Resident Auto fares are adjusted to reflect the 2023 restructuring that combined vehicle and passenger fares. Prior to 2023, these tickets were separate (≈\$4.00 per round trip combined).</p> | | | | | |

Methodology & Sources

Inflation comparisons use the U.S. Consumer Price Index for All Urban Consumers (CPI-U) and the DOT Transportation Consumer Price Index, both published by the U.S. Bureau of Labor Statistics (BLS).^{50 51} The Boston-Cambridge-Newton Consumer Price Index (BCN CPI) is included because this is the index used by the Town of Edgartown’s Select Board in their analyses over the years.⁵² The CPIs are used as a benchmark to assess how ferry fare changes compare with broader consumer price trends. Fare data

⁵⁰ U.S. Bureau of Labor Statistics (BLS), Consumer Price Index for All Urban Consumers (CPI-U).

⁵¹ Ibid., Consumer Price Index for Transportation (CPI-T)

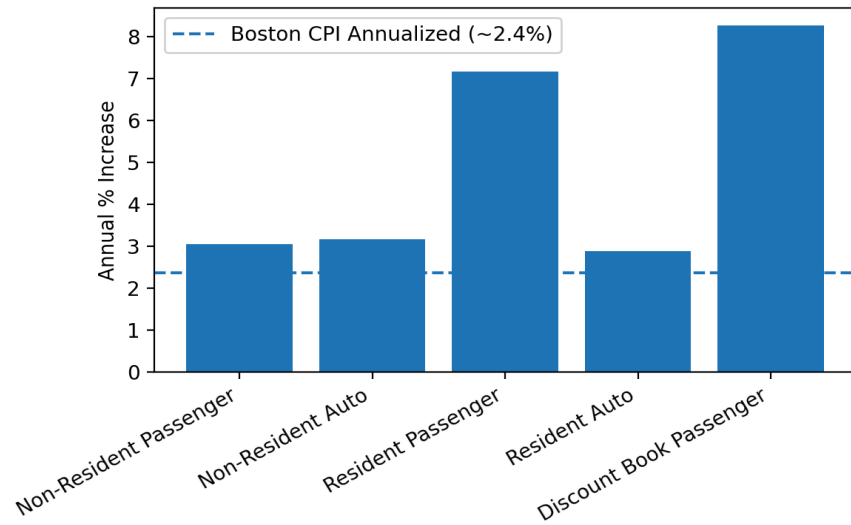
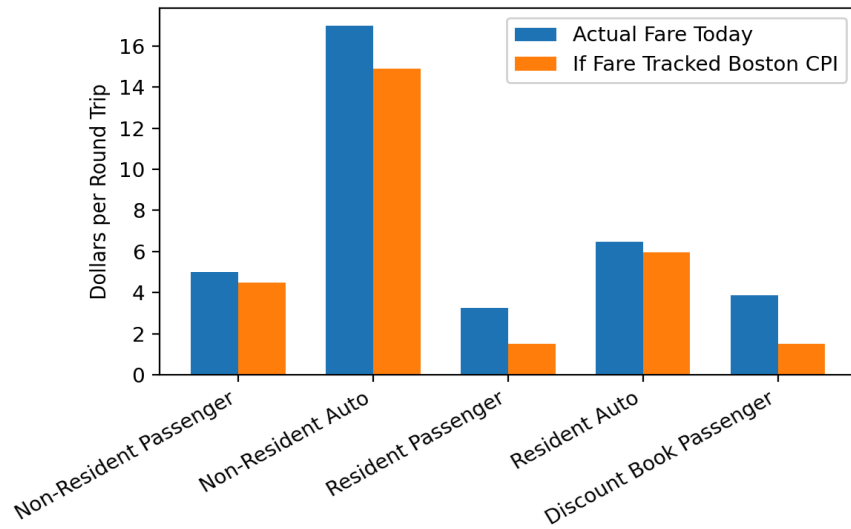
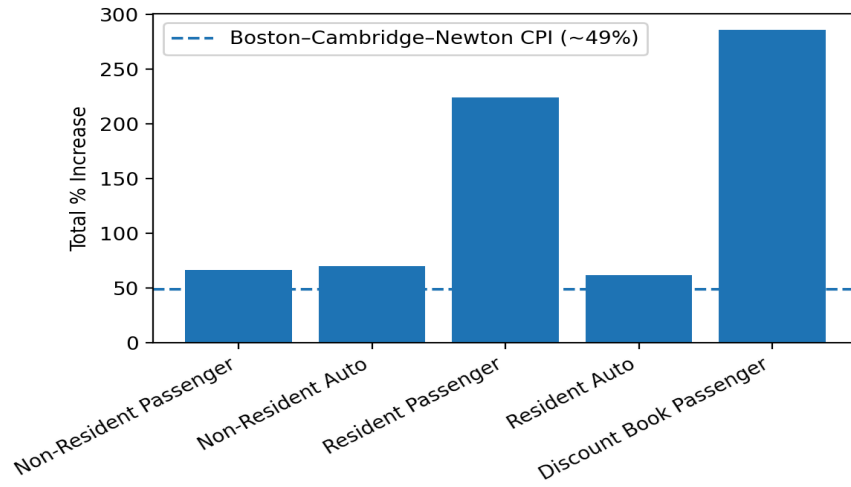
⁵² Ibid., Consumer Price Index for All Urban Consumers in the Boston, Cambridge, Newton geographic area; (BCN CPI). See Edgartown Select Board Minutes of December 12, 2022 (After the Select Board closed a hearing on Chappy Ferry fare increases, “Mr. Smadbeck stated that the Board had individually sat down with Mr. Wells and reviewed the financials. He has encouraged Mr. Wells to share his presentation with the Chappy Steering Committee. It was very helpful. As to criteria. The Board uses the Boston/Cambridge CPIU when figuring the cost of living raises for Town Employees. He thought he would look at this in this consideration” (emphasis supplied).)

were compiled from publicly reported Chappaquiddick Ferry fare schedules⁵³ and local reporting in the Vineyard Gazette and Martha's Vineyard Times.⁵⁴ Methodology details are included in Tables 1, 2, and 3 above, so they are closer to the specifics of each table.

⁵³ <https://chappyferry.com/fares/>

⁵⁴ See, e.g., <https://vineyardgazette.com/news/2019/04/23/hearing-set-rate-increase-chappy-ferry>;
<https://vineyardgazette.com/news/2022/11/17/chappy-ferry-owner-looks-raise-rates>;
<https://vineyardgazette.com/news/2025/06/26/chappy-ferry-looks-increase-rates>;
<https://www.mvtimes.com/2025/06/24/rate-hike-proposed-chappy-ferry>;
<https://www.mvtimes.com/2025/08/05/chappy-ferry-committee-member-resigns-protest>.

CPI Comparisons



Comparison with Other Short-Distance Ferries

This section compares the Chappy Ferry with a sample of other short-distance ferry services in the United States across seven key dimensions: cost per trip, cost per mile, governance and oversight, operational transparency, operating funding, capital funding, and equity considerations. The purpose is not to judge service quality or ownership, but to place the Chappy Ferry in context relative to other ferry systems that serve comparable transportation functions.

It should be noted that CFI is of the view that no other ferry service is comparable to the Chappy Ferry. CFI cites several factors that make the Chappy Ferry unique, including its continuous operation eighteen hours per day in all seasons, the substantial weights that it carries (e.g., cement trucks), and the challenging weather and tidal conditions in which it operates. These are important factors, to be sure, but no data is available to assess the operational cost differentials caused by them.

Cost per Trip and Cost per Mile

On a cost-per-trip basis, the Chappy Ferry is among the more expensive in the comparison group. At \$8.50 per trip for passenger vehicles, it is above the median of \$5 to \$6 for ferries traveling less than one mile.

On a cost-per-mile basis, the Chappy Ferry is among the most expensive ferries in the comparison group. At approximately \$85 per mile for a one-way standard ticket fare, it is near the top of the range and significantly more expensive than most publicly operated ferries serving similar distances.

Many short-distance ferries—particularly those operated by state or county transportation agencies—charge substantially less per trip and per mile, and some operate fare-free as part of the public roadway network. Among fare-charging ferries, Chappy's cost per mile is closer to the higher end of the spectrum rather than the median.

Because Chappy Ferry, Inc. makes less information on its capital and operating costs publicly available than do the ferries in the comparison group, it is not possible to determine what explains the differences between its fares and those of other ferries providing similar services. In addition to the factors cited by CFI as contributing to its greater operating costs, the time and cost required to load and unload the ferry may drive up costs and is to a great degree fixed per trip. Loading time and cost are

determined by the passenger and vehicle traffic carried on the ferry; they are not a function of distance.⁵⁵

Governance and Public Oversight

Half the sample of comparable ferries operate as public utilities or public transportation services, overseen by state departments of transportation, county governments, or municipal councils. Many such systems began as privately owned and operated enterprises, but were taken over by state, county, or local government as public dependence upon them grew.⁵⁶ In these situations, fares, service levels, and capital investments are typically reviewed through public budgetary or legislative processes.

The Chappy Ferry remains privately owned and operated. While it is licensed by the Town of Edgartown and subject to some local approvals (such as fare increases), it does not operate as a regulated public utility and is not embedded within a formal transportation agency structure. Oversight is therefore more limited and less standardized than for most of the comparable systems.

Operational Transparency and Data Reporting

A key distinction between the Chappy Ferry and publicly owned systems is public access to operational data.

The publicly owned ferries publish at least basic information such as:

- Annual ridership totals
- Vehicle versus passenger counts

⁵⁵ Peter Wells of CFI, the current Chappy Ferry owner/operator, has compared Chappy Ferry operations to those of the Balboa Ferry in California, emphasizing that the Chappy Ferry faces higher costs due to weather and load conditions unique to Chappy. CFSC minutes of November 11, 2022.

⁵⁶ The Canby Ferry was privately owned and operated by the Canby Business Men's Club until a flood heavily damaged the ferry operation in 1946. After community members petitioned Clackamas County to reinstate the ferry, the county commissioned a new ferry and took over ferry operation in 1952. (<https://www.clackamas.us/roads/ferry#technicalspecsandhistory>). The Wheatland Ferry, in operation since 1844 and said to be Oregon's oldest continuously operating ferry, was privately owned and operated until 1935, when Marion and Yamhill Counties began joint supervision of the ferry (<https://www.hereisoregon.com/experiences/2023/08/new-marker-celebrates-wheatland-ferrys-place-in-oregon-history.html#:~:text=Matheny%20was%20around%2050%20years,Shepard%20operated%20the%20Wheatland%20Ferry>). The Rocky Hill-Glastonbury Ferry was privately owned and operated for 260 years, until the Connecticut Department of Transportation took over operations between 1915 and 1917 to maintain "a critical connection across the Connecticut River" (<https://aashtojournal.transportation.org/ctdot-giving-the-nations-oldest-ferry-a-makeover/>; <https://ctmirror.org/2025/07/20/ct-river-glastonbury-rocky-hill-ferry-cumberland/>). Other historic examples include: the Keller Ferry (also called the Clark Ferry), privately owned and operated from the 1800s until bought by Ferry and Lincoln counties, WA ([Ferry and Lincoln counties buy out W. H. Latta's concession to operate the Keller Ferry in September 1930 - HistoryLink.org](https://www.historylink.org/10000)); the Washington State Ferries, privately operated as Black Ball Line from 1898 until taken over by the State of Washington in 1951 (<https://www.seattlemet.com/news-and-city-life/2024/08/washington-state-ferry-system-explainer>); and the Staten Island Ferry, once owned by Cornelius Vanderbilt, taken over by New York City in 1905 (<https://michaelminn.net/newyork/mobility/staten-island-ferry/index.html>).

- Additional breakdowns used for planning and budgeting

A smaller subset of comparable ferries—generally those with strong public oversight—publish more detailed rider class data.⁵⁷

The Chappy Ferry publishes no operational data beyond schedules and fares. There are no publicly available figures on total ridership, vehicle volumes, passenger counts, or resident versus non-resident usage.

How Operating Costs Are Funded

Across the comparable group of ferries, operating costs are commonly funded through a combination of fares and public subsidy. State, county, or provincial ferries often rely on transportation budgets, federal support, or general funds to cover staffing, maintenance, fuel, and administration, with fares offsetting only a portion of total costs. The Chappy Ferry differs in that operating expenses are funded entirely through fare revenue. Fare increases are publicly justified by rising costs such as wages, maintenance, and utilities, rather than being offset by ongoing public operating support.

How Capital Plans Are Funded

Publicly owned ferries typically fund vessels, terminals, and major upgrades through government capital programs, often supplemented by federal or provincial ferry grants. Capital planning is usually multi-year, publicly reviewed, and separated from day-to-day operating costs.

For the Chappy Ferry, capital funding is more fragmented. Some repairs and upgrades -- such as maintenance and inspection of the ferry fleet -- appear to be funded directly by the owner⁵⁸, while certain capital planning efforts -- such as engineering studies or resilience planning -- have been supported by the Town, directly and/or through grant-seeking. Unlike most public ferry systems, the Chappy Ferry does not operate under a clearly defined, publicly adopted capital plan with identified funding sources. CFI capital planning is not publicly available.

Equity Considerations

Equity analysis of classes of fares and discounted fares depends heavily on data. Public ferry systems that publish ridership and rider-class information allow policymakers and the public to assess:

- Who uses the service
- How costs and benefits are distributed
- Whether fare structures align with public goals

⁵⁷ See, for example, Washington State Department of Transportation Ferries accountability and service data page (accessed at: <https://wsdot.wa.gov/travel/washington-state-ferries/about-us/ferries-accountability-and-service-data>).

⁵⁸ See CFSC minutes of April 27, 2023, reflecting a statement by Peter Wells, owner/operator of CFI, that all ferry infrastructure – ramps, hoists, and control systems—are owned by CFI and maintained without town funding.

Because CFI does not publish ridership or rider-class data, it is not possible for the town or the public to evaluate equity impacts or how fare changes affect different user groups. This contrasts with comparable ferry systems where such evaluations are routine due to data availability and public reporting requirements.⁵⁹

⁵⁹ See, for example, NYC Ferry Reports & Statistics (accessed at: <https://www.ferry.nyc/reports-statistics/>); Washington State Ferries Traffic Statistics Rider Segment Report (accessed at: <https://wsdot.wa.gov/sites/default/files/2026-01/WashingtonStateFerries-TrafficStatistics-2025Annual.pdf>) See also the National Census of Ferry Operators data collected by the U.S. Department of Transportation Bureau of Transportation Statistics (accessed at: <https://www.bts.gov/NCFO>).

**Ferry One-Way Passenger Vehicle Cost
Per Trip and Per Mile Comparison (GIS-Based Distances)
Ordered by Distance (Shortest to Longest)
As of January 26, 2026⁶⁰**

| Ferry | One-Way Fare (USD) | Distance (mi) | Cost / Mile (USD) | Owner | Market Type |
|-----------------------------|--------------------|---------------|-------------------|---------|-------------|
| Chappy Ferry (MA) | \$8.50 | 0.100 | \$85.00 | Private | Captive |
| Wheatland Ferry (OR) | \$3.00 | 0.110 | \$27.27 | Public | Captive |
| Canby Ferry (OR) | \$5.00 | 0.143 | \$34.97 | Public | Captive |
| Balboa Island Ferry (CA) | \$5.00 | 0.152 | \$14.85 | Private | Competitive |
| Rocky Hill–Glastonbury (CT) | \$6.00 | 0.202 | \$24.77 | Public | Captive |
| South Ferry (NY) | \$12.50 | 0.400 | \$45.00 | Private | Captive |
| North Ferry (NY) | \$13.00 | 1.100 | \$14.55 | Private | Captive |
| Pierce County Ferry (WA) | \$16.93 | 3.500 | \$3.56 | Public | Captive |

⁶⁰ Data collected January 26, 2026.

All distances are straight-line GIS terminal-to-terminal or operator-published crossing lengths.
All fares reflect standard passenger vehicle (≤22 ft) rates in effect at time of compilation.

Comparison Sources

Chappy Ferry (MA) Fare: <https://chappyferry.com/fares/> Distance: <https://chappyferry.com/directions/> (527 feet straight-line crossing)

Wheatland Ferry (OR)

Fare: <https://www.co.marion.or.us/PW/ferries/Pages/wheatlandhours.aspx> Distance: https://en.wikipedia.org/wiki/Wheatland_Ferry (approximately 580 feet crossing length)

Canby Ferry (OR) Fare: <https://www.clackamas.us/roads/ferry> GIS distance: Google Maps terminal coordinates (north and south landings linked on Clackamas County page)

Balboa Island Ferry (CA). Fare: <https://balboaisland.com/balboa-island-ferry/> . Distance: <https://www.balboaislandferry.com/> (operator states approximately 800-foot crossing)

Rocky Hill–Glastonbury Ferry (CT). Fare:

<https://portal.ct.gov/dot/travel-gateway/public-transportation/ct-ferries/rocky-hill-ferry>

GIS distance: Terminal coordinates from ConnDOT and Connecticut River Paddlers Trail landing data. The rate is based on the highest daily fare or peak travel fare (Saturday)

South Ferry (NY) Fare: <https://www.southferry.com/rate-sheet.pdf> Distance: Commonly cited 0.4-mile crossing (Shelter Island Chamber / regional travel guides) The rates is calculated based on a half of a roundtrip fare.

North Ferry (NY). Fare: <https://northferry.com/rates.html> Distance: Commonly cited 1.1-mile crossing (Shelter Island Chamber / regional travel guides) The rates is calculated based on a half of a roundtrip fare.

Pierce County Ferry (WA). Fare:

<https://www.piercecountywa.gov/7497/20262027-Ferry-Fares> (round-trip fares converted to one-way equivalents. Distance: Pierce County planning documents and route descriptions (~3.5 miles Steilacoom–Anderson Island) The fares are \$24.94 in off season and \$33.86 in high season for roundtrip fares.

Public Funding Sources for Ferry Services

Ferry systems in the United States are funded through a combination of user fares, public funding, and capital investment programs. The availability of public funding varies significantly depending on how a ferry service is structured and how it aligns with specific program criteria.

At the federal level, ferry funding programs are generally designed for two primary categories:

- Urban transit ferry systems, which serve areas with populations greater than 50,000
- Rural ferry systems, which typically involve longer-distance routes connecting remote communities and, under current federal programs, generally require route segments on the order of 50 miles or more (with limited exceptions at shorter distances)⁶¹

The Chappaquiddick Ferry does not clearly align with either category. It operates in a non-urban area, and its route length is significantly shorter than the minimum distances typically associated with federal rural ferry programs of 50 miles.⁶¹

However, other funding programs may be available that are not tied to urban or rural classifications. For example, the Federal Transportation Authority (FTA) provides capital funding to municipalities for ferry service, particularly in rural and island communities. Funding categories include:

- Transportation infrastructure funding (e.g., ferry terminals, docks, and related facilities)
- Maritime and economic development programs
- Climate and electrification funding for low- or zero-emission vessels
- Resilience and emergency access funding, particularly for infrastructure serving critical access or evacuation functions

Many of these programs require a public entity to serve as the applicant or sponsor, even where ferry operations are carried out by a private operator.

Examples from other regions indicate that ferry systems—including relatively short-distance or essential access routes—have received public funding for vessels,

⁶¹ Federal Transit Administration, Ferry Service for Rural Communities Program, 49 U.S.C. § 71103. The program includes distance-based eligibility criteria requiring that ferry service operate on a route segment between two rural areas exceeding specified minimum distances (generally 50 nautical miles, with limited exceptions for shorter segments).

terminals, and related infrastructure through these types of programs. Recent examples include:

1. Savannah Belles Ferry (Savannah, Georgia) — approximately 0.2–0.5 mile route
 - \$691,000 (FTA, 2024) — charging infrastructure
 - \$383,469 (FHWA Ferry Boat Program, 2025)
2. Rock Island Passenger Ferry (Illinois / Iowa) — approximately 1–2 mile route
 - \$8,000,000 (FTA, 2024) — electric ferry, charging equipment, and landside improvements
 - \$47,896 (FHWA Ferry Boat Program, 2025)
3. Plaquemines Parish Ferry (Louisiana) — approximately 0.5–1 mile route
 - \$4,732,022 (FTA, 2024) — landing barges and infrastructure
 - \$3,299,376 (FHWA Ferry Boat Program, 2025)
4. Jamestown–Scotland Ferry (Virginia) — approximately 2.5 mile route
 - \$5,048,650 (FTA, 2024) — terminal upgrades
 - \$3,589,157 (FHWA Ferry Boat Program, 2025)
5. St. Johns River Ferry (Jacksonville, Florida) — approximately 1 mile route
 - \$553,521 (FHWA Ferry Boat Program, 2025)
6. North Ferry (Shelter Island, New York) — approximately 0.4–0.6 mile route
 - \$3,365,854 (FHWA Ferry Boat Program, 2025) — publicly owned terminal infrastructure
7. Fire Island and Fishers Island Ferries (New York) — approximately 2–5 mile routes
 - \$412,683 (Fire Island, FHWA Ferry Boat Program, 2025)
 - \$191,138 (Fishers Island, FHWA Ferry Boat Program, 2025)
8. Islesboro Ferry (Maine) — approximately 3 mile route
 - \$16,568,000 (FTA, 2024) — terminal modernization and electrification (part of a broader state ferry system)

Proximate to the Chappaquiddick Ferry system’s waterfront infrastructure, a local example is the Town of Edgartown’s securing of capital grant funding for Memorial Wharf. Memorial Wharf received approximately \$1,000,000 in state grant funding toward a broader project cost of approximately \$3,000,000. These examples illustrate that ferry services of varying lengths—including relatively short crossings—have received public funding where they align with program criteria and are supported by an eligible public sponsor.

The extent to which any specific ferry service is eligible for public funding depends on multiple factors, including:

- Ownership and governance structure

- Classification as public transportation or infrastructure
- Physical characteristics of the route (including distance and function)
- Alignment with program-specific goals such as emissions reduction or resilience

This section of the report is provided to clarify the range of funding mechanisms that may apply to ferry systems and the factors that influence eligibility.

Ferry Operation, Governance, and Ownership Models

Current Model

Under the current ownership and governance model, a for-profit private corporation, Chappy Ferry Inc. (CFI):

- operates the ferry service between Chappaquiddick and Edgartown under a five-year automatically renewing license;
- owns the ferries, ferry slip infrastructure, and related equipment;
- leases the ferry slip land (Chappy and Edgartown), the ferry house, and the fuel tanks in Edgartown under a long-term lease from the Town; and
- holds responsibility for maintenance and repair of the ferry fleet and ferry slip and other infrastructure.

Edgartown owns the ferry slip land and has made financial contributions for engineering studies of ferry slip adaptation to sea level rise. CFI is otherwise solely responsible for operating and capital costs.

With respect to emergency response and evacuation protocols, in practice, CFI coordinates with Edgartown public safety officials on a case-by-case basis. While the current practice historically has been effective and protective of residents and visitors on Chappaquiddick, there is no formal requirement or guarantee that CFI or any future private owner create or make emergency or evacuation plans or make such plans public.

With respect to operations, as discussed in greater detail in the Regulatory Framework section of this Report, CFI:

- sets fares with minimal Select Board oversight and without objective criteria;
- determines classes of fares and discounts at its discretion;

- has no obligation to have a capital plan or to maintain a capital fund;
- has no obligation to collect, maintain, or make publicly available financial information on ferry expenses and revenues;
- has no obligation to collect, maintain, or make publicly available data on
 - vehicle or passenger traffic;
 - usage patterns;
 - vessel safety inspections;
 - performance (e.g., load times, wait times, maintenance disruptions);
 - capital equipment requirements; or
 - accident records.

CFI operates an essential public service with no public reporting obligation of any kind.⁶²

Alternative Proposals

Various past studies of the Chappy Ferry have evaluated alternative ownership models including privately owned with revised regulation, town owned and operated, Vineyard Transportation Authority operated and/or owned, and nonprofit owned and operated. These studies include: the Purchase Chappy Ferry Committee Report and the Minority Report of 2007-2008; the Recommendations of the Chappy Ferry Steering Committee for License Revision in 2023; and the Maritime Consulting Partners Ownership Analysis prepared for the Town of Edgartown in 2024.⁶³ Each raises distinct issues of financing, governance, accountability, and risk distribution.

Before examining each model in turn, it is worth noting that the Maritime Consulting Partners (MCP) study—the most recent and most comprehensive comparative

⁶² Compare the recommendations of the Massachusetts Office of the Inspector General with respect to requirements to be included in contracts with private entities operating municipally owned golf courses:

- a. Contracts should contain a requirement for, at a minimum, monthly vendor reporting of all revenue regardless of source or whether the revenue is to be shared with the municipality.
- b. Contracts should require the vendor to provide an annual audited financial statement prepared by a licensed certified public accountant. Consideration should also be given to require the vendor to provide a copy of its annual filed tax return.
- c. Contracts should require the vendor to pay for an audit of golf course records every three years or before the end of a contract period, whichever comes first.
- d. Vendor reporting requirements should include timetables.
- e. Contracts should clearly specify the right of the municipality or other authorized government entity to request and review all records, documents and financial statements related to all aspects of the vendor's business operations including, if necessary, those beyond the municipal golf course.
- f. Contracts should specify the period for vendor record retention.
- g. Contracts should require detailed cash management and control requirements and procedures.

Office of the Massachusetts Inspector General Advisory on Municipal Golf Course Management Contracts (2009), accessed at

<https://www.mass.gov/doc/advisory-on-municipal-golf-course-management-contracts/download#:~:text=The%20OIG%20review%20focused%20on.well%20as%20municipal%20finance%20laws.>

⁶³ On the recommendation of the CFSC (CFSC minutes of November 21, 2022), the Town of Edgartown engaged Maritime Consulting Partners to conduct a comprehensive analysis of ownership options for the Chappy Ferry in August of 2024. The resulting analysis is contained in a PowerPoint presentation dated August, 2024 (accessed at: <https://www.edgartown-ma.us/home/showpublisheddocument/24798/638609496563179226>), believed to have been presented to the CFSC although neither an agenda nor minutes can be located for a CFSC meeting in August, 2024.

analysis—assessed three ownership structures using a weighted, multi-criteria decision matrix. The seven criteria it applied were Comparative Capital Expense (weighted at 15%), Comparative Operating Expense (19%), Community Access (24%), Service Level (22%), Transparency (10%), Flexibility (7%), and Sustainability (3%). Against these criteria, the nonprofit model ranked highest with a total score of 3.31, followed by government ownership at 2.72, and the community-owned consortium at 2.54. MCP also identified a capital infrastructure crisis that bears on all ownership models: both ferry vessels are beyond their predicted useful service lives—the *On Time II* by 15 years and the *On Time III* by 9 years—and combined vessel replacement and shoreside infrastructure costs were roughly estimated at \$5–8 million. MCP concluded that no ownership model is financially sustainable without a comprehensive capital funding strategy developed alongside any ownership decision.

1. Private For-Profit with Revised Governance

Both the Purchase Chappy Ferry Committee (PCFC) and the Chappy Ferry Steering Committee (CFSC) have recommended changes in the governance structure for operation of the Chappy Ferry, if it remains operated by a private for-profit entity.

The PCFC recommended that the license should be revised: (1) to require that ferry rates be fair, not arbitrary; (2) to provide criteria and procedure for review of requested rate increases by the Select Board; (3) to require the Select Board to review and approve changes to all categories of fares (not just maximum fares); (4), to require the Select Board to perform a comprehensive review of all existing and potential fare categories; (5) to specify minimum standards/levels of service; and (6) to require the Select Board to review and approve changes to the ferry schedule. In addition, PCFC recommended that the Select Board appoint a Chappy Ferry Advisory Committee to advise the Board and interface with the public, especially those relying upon the ferry.

Ten plus years following the PCFC recommendations, in 2020, the Select Board did ultimately appoint a Chappy Ferry Steering Committee (CFSC). The Board has declined to implement any of the other governance recommendations by the PCFC.

The CFSC recommended revision of the operating license to provide for (1) greater transparency in ferry financial reporting; (2) clear, objective criteria for evaluating rate increases; (3) a formalized license and oversight framework to guide long-term decision-making; (4) attention to equity issues, including resident rate eligibility; and (5) long-term sustainability planning, including consideration of infrastructure costs and future risks. The Select Board declined, without explanation, to adopt the CFSC's recommendation to revise the operating license.

The MCP study evaluated a variant of this model under the label "Community-Owned Consortium"—a private, for-profit entity formed by Chappaquiddick property

owners⁶⁴—and ranked it lowest of the three options, with a total score of 2.54. While the consortium model offers the greatest operational flexibility and maintains the agility of private enterprise, MCP found that, as a private for-profit entity, it is subject only to voluntary disclosure, with no mandatory transparency requirements beyond basic business regulations. It also offers no structural advantages for accessing capital compared to the current private ownership, which MCP identified as a critical shortcoming given the scale of vessel replacement needs. MCP did observe, however, that the Town could meaningfully strengthen this option by implementing more robust licensing requirements—precisely the approach recommended by PCFC and CFSC—mandating transparency, service standards, and community accountability through the licensing process.

2. Vineyard Transit Authority

The Purchase Chappy Ferry Committee (PCFC) closely examined the option of Chappy Ferry operation and management by the Vineyard Transit Authority (VTA), noting that continued private ownership poses a substantial risk of escalating fares due to the high acquisition costs which a new private owner would incur, including purchase price, debt service, and capital replacement of ferry vessels. The PCFC reasoned that, in a monopoly environment, these costs would almost certainly be passed directly to the public.⁶⁵

PCFC concluded, in a minority report, that the VTA model offers several public benefits. As a non-profit and tax-exempt quasi-governmental entity with access to state and federal funding, the VTA would be eligible to apply for government assistance for vessel replacement, to reduce operating costs through economies of scale, and to reinvest net revenues into service improvements or fare stabilization rather than profit. The VTA's existing administrative capacity, financial controls, maintenance infrastructure, and emergency management structure would offer significant advantages. Perhaps most importantly, the VTA does not operate under a profit mandate, reducing the incentive to defer maintenance or to raise fares unnecessarily.

Acknowledging the potential disadvantages to VTA management, including uncertainty around grant funding, the possible delay in implementation, and the regional rather than

⁶⁴ Discussion of efforts to create a Chappy Property Owners Consortium to purchase the Chappy Ferry is reflected in the minutes of the CFSC meeting on August 2, 2022. The plan called for formation of a Limited Liability Company with SEC-qualified investors (minimum income of \$200,000 annually or assets over \$1 million exclusive of residence), a 5% ownership cap per investor to ensure broad community participation, and a rate adjustment mechanism ensuring annual return of 5-10% on invested equity. Surplus profits would result in fare reductions rather than distributions to investors. The state goal in forming the consortium was to create a community-oriented ownership structure prioritizing long-term stability over profit.

⁶⁵ One example of successful operation of a ferry by a transit authority is found in the Massachusetts Bay Transportation Authority's (MBTA) current operation of two ferries year-round, and three seasonally. The MBTA ferries are described on its website: <https://www.mbta.com/fares/ferry-fares>; Ferry operation is overseen separately from the rest of the MBTA transportation system, by the MBTA Advisory Board Ferry Committee, which includes members from the communities served by the ferries: <https://mbtaadvisoryboard.org/ferry-committee/>. See Appendix B for a comparison of the oversight of the Chappy Ferry provided by the Edgartown Select Board to the oversight of the MBTA ferries provided by the MBTA.

local VTA governance structure, PCFC minority report concluded that the long-term benefits of affordability, reliability, and public accountability outweighed the risks.

It is noteworthy that the Martha's Vineyard Transportation Improvement Program (TIP) for Federal Fiscal Years (FFY) 2026-2030⁶⁶ reflects detailed capital planning by the VTA and robust state and federal funding for VTA capital projects, including scheduled replacement of aging buses and vans and capital improvement of buildings and infrastructure. The funding for the VTA reflected in the TIP, totaling \$43,905,000 over five years, reflects the confidence placed by USDOT and MADOT in the VTA's management and planning.

The MCP study did not evaluate the VTA model specifically, but its analysis of government ownership is instructive in this context. MCP ranked government ownership second overall with a score of 2.72, finding that it excels in capital access—including the ability to apply for Federal Transit Administration grants potentially covering 80% of vessel costs and to issue municipal bonds—and provides the highest level of transparency through Freedom of Information Act requirements and public meeting laws. These are precisely the advantages that PCFC attributed to the VTA model. MCP's principal reservation about government ownership was its higher operating costs, reflecting public-sector staffing levels, benefits structures, and administrative overhead, as well as reduced operational flexibility due to bureaucratic processes. MCP characterized government ownership as "the most robust but least agile option, at a cost." To address this, MCP specifically recommended investigating third-party management of operations as a means of maintaining public ownership and its capital access advantages while achieving greater operational efficiency—a hybrid approach that merits further analysis in the Chappy Ferry context. MCP also noted that government ownership may come with federal requirements, including potential mandates for low-emission vessel design, which could align with the Town's broader climate and resilience goals.

3. Non-Profit

The Chappy Community Ferry, Inc. (CCF) was established in 2023 as a 501(c)(3) nonprofit organization with an articulated mission to operate the Chappy Ferry as a public-serving utility, with a vision to partner closely with the Town of Edgartown to create a modern, resilient, and environmentally responsible ferry system.⁶⁷ The organization ultimately aspired to operate state-of-the-art vessels, ideally using electric or other low-emission propulsion technologies, consistent with the Town's broader climate and resilience goals.

CCF held public meetings in January and February 2023. It conducted substantial due diligence, including a confidential financial review of the existing ferry operation, a

⁶⁶ <https://www.mvcommission.org/sites/default/files/docs/DRAFT%20TIP%20FFY%202026-2030.pdf>

⁶⁷ CCF's website remains under construction: <https://app.candid.org/profile/15284540/chappy-community-ferry-inc-92-3196973>. The information here is drawn from copies of the presentations made by CCF to the Chappaquiddick community in 2023.

professional marine appraisal of the vessels and landings, and in-depth discussions with the current owner-operators.

CCF identified several critical challenges facing the ferry system. The marine appraisal found that the ferry landings on both sides of the harbor require major repair or replacement, and that the current vessels, *On Time II* and *On Time III*, are approaching the end of their usable service lives. Importantly, the analysis also concluded that the cost of purchasing new vessels would be a major barrier for any future owner, regardless of whether the ferry operated as a for-profit or nonprofit entity. It assumed that landing infrastructure needs would be addressed through the Town's ongoing climate resilience and capital planning efforts.⁶⁸

In response to these challenges, CCF proposed to partner with the Town of Edgartown to secure federal funding for new ferry vessels through, for example, the Federal Transit Administration (FTA) Ferry Programs listed earlier. Because the Town already owns the ferry landings, CCF hoped that a cooperative grant application by the Town and CCF, building on an existing public-private partnership, would be highly competitive under FTA selection criteria. The MCP study confirmed this logic, finding that nonprofit ownership offers access to grants unavailable to for-profit entities, as well as tax-exempt financing and the ability to fundraise from donors—a meaningful advantage over private ownership, though still more limited than government access. MCP also noted that, because the Town already owns the terminals, FTA infrastructure grants for shoreside improvements might be accessible regardless of vessel ownership structure, though this would require further investigation.

As part of its work, CCF evaluated multiple ownership and governance models for the ferry system, including private, governmental, nonprofit, and hybrid approaches. Based upon considerations of transparency, service levels, flexibility, community accessibility, and sustainability, CCF concluded that the nonprofit model ranked highest overall and presented its conclusions to the Town's Chappy Ferry Steering Committee.

The MCP study, commissioned independently by the Town and applying a formal Kepner-Tregoe Decision Matrix, reached the same conclusion, ranking the nonprofit option first with a score of 3.31. MCP found the nonprofit model performed particularly well on the two highest-weighted criteria—Community Access (scoring 0.96 out of a possible 1.0) and Service Level (0.66)—and concluded that it "strikes the best balance between financial sustainability and community service," combining accountability and transparency with the flexibility and efficiency of private operation. CCF envisioned a governance model with CCF as the operating entity overseen by a Board of Directors and supported by advisory committees. A full-time Executive Director would manage day-to-day operations. After an initial transition period, future board members would be elected by eligible community members, defined as year-round Chappaquiddick residents and qualifying property owners.

⁶⁸ A review of Edgartown Select Board Minutes from 2007 through 2025 found no statement of commitment by the Select Board to seek Town funding for the ferry infrastructure.
<https://www.edgartown-ma.us/downloads/-loadingmode-PreviewContent/-folder-248>

CCF undertook steps to secure Town support for cooperative ownership of future ferry vessels funded through grants, to negotiate a purchase agreement for the existing operation, and to assemble financing for the transaction through a combination of loans and donations. On November 3, 2024, CCF announced that it had been unable to find a feasible route to acquisition of the Chappy Ferry and would be suspending efforts, but that it remains open to considering an acquisition in the future.

Below is a comparison of ownership types for the Chappy Ferry. The “Town Ownership with Third-Party Operator” category would include a nonprofit or private entity serving as the owners. See Appendix A for a comparison of the Chappy Ferry with the Steamship Authority and other publicly owned ferries, and Appendix B for a comparison of the Chappy Ferry with MBTA ferries.

VTA vs. Private Ownership vs. Town Ownership with Third-Party Operator

| Topic | VTA Ownership / Management | Private Ownership | Town Ownership + Third-Party Operator |
|---|--------------------------------|-----------------------------------|---|
| Primary Mission | Public transportation & access | Profit-driven business | Public service with professional operations |
| Asset Ownership (Boats & Infrastructure) | Public (VTA / regional) | Private | Town of Edgartown |
| Who Operates the Ferry | VTA staff | Private owner | Independent marine operator under contract |
| Local Control (Edgartown) | Shared regional control | Limited (license/lease oversight) | High – Town sets policy and contract terms |
| Accountability & Transparency | High (public records, audits) | Limited (voluntary disclosure) | High (contract reporting & public oversight) |
| Fare-Setting Authority | Public process through VTA | Operator proposes; Town approves | Town sets fares; operator paid by contract |
| Ability to Access Grants | Strong | Very limited | Strong (Town eligible; operator not required) |

| Topic | VTA Ownership / Management | Private Ownership | Town Ownership + Third-Party Operator |
|--|-----------------------------------|----------------------------|---|
| Operating Flexibility | Moderate to low | High | Moderate to high (via contract terms) |
| Operating Costs | Typically higher | Typically lower | Controlled through competitive bidding |
| Emergency & Redundancy Capacity | Strong regional capacity | Limited to owner resources | Depends on contract requirements & town support |
| Taxpayer Financial Risk | Moderate to high | Low | Moderate but capped by contract |
| Monopoly Risk | Low | High unless regulated | Low (Town controls service obligations) |
| Capital Replacement Risk | Public | Private | Public, but planned and grant-eligible |
| Long-Term Stability | High | Owner-dependent | High if contracts are well-structured |
| Management Expertise | Public transit focused | Owner-dependent | Professional marine specialists |

An Unexplored Structure: Municipal Enterprise Fund

Massachusetts law provides municipalities with the option to operate certain fee-supported services through Enterprise Funds, a financial structure authorized under Massachusetts General Laws Chapter 44, Section 53F½. An Enterprise Fund allows a town to account for a specific municipal service separately from the general fund, while remaining fully under municipal control. This approach is commonly used for services that charge user fees and benefit from transparent, service-specific financial reporting. Oak Bluffs and Tisbury, for example, operate enterprise funds for public water/wastewater utilities.

Under this statute, a town may, by vote of Town Meeting, establish an Enterprise Fund for an eligible service such as a utility, recreational facility, or transportation facility.⁶⁹ Once established, all revenues generated by the service—such as user fees or fares—are deposited into the Enterprise Fund, and direct and indirect costs of operating the service are charged against that same fund. The Enterprise Fund is budgeted

⁶⁹ While the ferry slips certainly could be operated as a “transportation facility” enterprise fund, it is possible that special legislation would be required to authorize the Town to operate the ferry service itself as an enterprise fund. See MA DOR Div of Local Services Informational Guideline 22-16, found at <https://dls-gw.dor.state.ma.us/gateway/dlspublic/igrmaintenance/index/789>.

annually and reviewed by the Select Board and Town Meeting, but its revenues and expenditures are tracked independently from the Town's general operating budget.

A key feature of an Enterprise Fund is that any surplus generated by the service is retained within the fund rather than being transferred to the general fund at year end. These retained earnings may be used for future operating needs, capital repairs, equipment replacement, or to moderate future user fees. At the same time, an Enterprise Fund does not require the service to be fully self-supporting; the Town may continue to provide tax levy support if policy objectives—such as affordability, equity, or essential public access—warrant a subsidy.

The Chappy Ferry has characteristics that align closely with the statutory purpose of an Enterprise Fund. It is a municipally controlled necessary transportation service that charges fares to users, incurs identifiable operating and capital costs, and requires ongoing investment in vessels, docks, and related infrastructure. The MCP study's finding that no ownership model is financially sustainable without supplemental funding mechanisms, and its identification of \$5–8 million in near-term capital needs, underscores the value of a financial structure that can systematically accumulate reserves, plan capital expenditures transparently, and support grant applications.

Operating the ferry as an Enterprise Fund would allow the Town of Edgartown to access state and federal funds to support the ferry⁷⁰, and to clearly document the full cost of ferry operations, including maintenance, staffing, insurance, and capital needs, alongside the revenues generated by fares and permits. In addition, borrowing costs to fund capital projects would be appreciably lower for a highly rated municipality such as Edgartown than for a commercial entity such as CFI.⁷¹

From a governance and transparency perspective, an Enterprise Fund structure would provide Town officials and residents with clearer information about how ferry revenues are used, the degree to which the service is supported by user fees versus tax revenues, and the long-term financial sustainability of the operation. It would also create a formal mechanism for setting fares and planning capital investments based on documented costs and service objectives. A fuller analysis would be required to assess other costs and benefits, such as lower insurance cost due to statutory cap on municipal enterprise liability and access to federal and state grants and bonds on the one hand, and public bidding requirements and similar municipal obligations on the other. Many

⁷⁰ E.g., MassWorks infrastructure grants; a list of MassWorks grants for municipal projects awarded in 2025 may be found at:

https://www.mass.gov/info-details/massworks-infrastructure-program?_gl=1*1rwkxz8*_ga*MTkwMT11MzYyOC4xNzUzMjY1NTQw*_ga_MCLPEGW7WM*czE3NzI0MTc4NjkkbzgzZzEkdDE3NzI0MTgwMTAkajYwJGwwJGgw&_ga=2.29748031.144843852.1772417327-1901253628.1753065540.

⁷¹ The national rate for a 20-year AAA rated municipal bond was 3.9% as of March 1, 2026.

https://www.fmsbonds.com/market-yields/#:~:text=Table_title:%20AAA%20RATED%20MUNI%20BONDS%20Table_content:%20header:,range:%2030%20year%20%7C%20today:%204.25%20%7C. This compares to an SBA 7a 20-year loan rate of 6.25 to 8.75%.

<https://commercialloandirect.com/commercial-rates#:~:text=What%20are%20the%20current%20commercial,refinanc>e%2C%20staying%20current%20is%20essentia.

municipal enterprise funds and otherwise town-owned businesses in Massachusetts are operated under contract to the town by a private operator.⁷² The economics of this structure for the Chappy Ferry also would be worthy of investigation.

To implement this approach, the Town would need to consult Town Counsel as to whether special legislation would be necessary to establish the Chappy Ferry Service as an enterprise fund. If so, Town Meeting would need to authorize the Select Board to petition the state legislature for the special legislation. Following authorization to establish a ferry enterprise fund, it would be necessary to adopt a Town Meeting warrant article accepting the provisions of Chapter 44, Section 53F½ specifically for the Chappy Ferry and establishing a start date for the fund, typically at the beginning of a fiscal year. If no special legislation were required, a Town Meeting vote to create a Chappy Ferry Enterprise Fund would be the only step necessary. Once established, the ferry's Enterprise Fund would be required to operate for a minimum of three years before it could be rescinded.

⁷²According to the Massachusetts Division of Local Services, in FY2026, 276 Massachusetts cities and towns reported 669 enterprise funds led by nine in Barnstable, seven in Beverly and Nantucket, and six in Ashland, Brockton, Westborough and Winthrop, with water and sewer being by far the most common type of enterprise fund. <https://www.mass.gov/info-details/exploring-enterprise-funds#:~:text=In%20FY2026%2C%20276%20Massachusetts%20cities.common%20type%20of%20enterprise%20fund>. In addition, as noted in footnote 17 of this Report, as of 2009, there were 63 municipally owned golf courses in Massachusetts, 53 of which were operated by private entities under contract or lease with the municipality, and 10 of which were operated by town employees.

Future Challenges for Chappy Ferry Service

Capacity

The future is almost certain to bring growth in the number of homes, full-time and seasonal residents, associated services, and visitors to Chappaquiddick. The 2017 “Snapshot of Chappy” report estimated that between 147 and 208 additional primary residences, and between 285 and 321 additional guest houses could be built on Chappaquiddick, based upon an analysis of the then existing housing stock and the applicable zoning bylaw.⁷³ Increased usage of the Chappy Ferry by foot passengers, bicycles, autos, and trucks must be anticipated. Without the creation of additional carrying capacity by the Chappy Ferry, long wait times for vehicles, and the disruption caused in Edgartown by vehicle queues, must be expected to become worse. “Right sizing” ferry capacity and usage requires timely and accurate collection and publication of data, including metrics such as peak demand and wait times, to inform planning and decision making. The absence of such data historically has been an obstacle to informed analysis. Meaningful future analysis of ferry capacity will require reliable data collection.

Capital Funding

The two vessels in the Chappy Ferry’s fleet, the *On Time II* and the *On Time III*, were built in 1967 and 1975, respectively. The need for a third and larger ferry to augment capacity generally and to maintain capacity during maintenance periods has long been discussed.⁷⁴ The existing aging ferry fleet requires substantial annual maintenance,⁷⁵ at an unknown cost, and inevitably will require replacement, at an unknown, but certain to be significant, cost. As discussed earlier in this report, a marine appraisal of the Chappy Ferry vessels commissioned by the non-profit Chappy Community Ferry, Inc. found that the Chappy Ferry’s current vessels are approaching the end of their usable service lives and that the cost of new vessels would be large enough to create a barrier for any future owner.

Reliable estimates of the cost to replace the Chappy Ferry’s marine equipment are not readily available. One comparison is the recently reported \$14 million cost estimate for replacing the Balboa Island Ferry’s two vessels, similar in design and size (but perhaps

⁷³ “Snapshot of Chappy” report at page 7.

⁷⁴ See footnote 21, supra.

⁷⁵ In an October 31, 2025 column in the Vineyard Gazette, Peter Wells, owner/operator of the Chappy Ferry inc, described some of the extensive work required in dry dock to maintain the ferries, accessed at: <https://vineyardgazette.com/news/2025/10/31/chappy-town-columns-week-ending-oct-31#:~:text=The%20usual%20maintenance%20routine%20is,parts%20renovated%20now%20as%20well>. US Coast Guard vessel records indicate that each of the ferries, *On Time II* and *On Time III*, is scheduled for dry dock maintenance every other year going forward. The schedule of future USCG inspections of the ferries in dry dock may be found at: <https://cgmix.uscg.mil/PSIX/PSIXSearch.aspx>

not weight capacity) to those operated by the Chappy Ferry, with electric ferries.⁷⁶ No information as to whether Chappy Ferry, Inc. has set aside capital reserves in anticipation of future capital requirements has been made publicly available. However, it is known that as of 2019, Chappy Ferry, Inc. was carrying debt service on a \$2 million borrowing from Martha's Vineyard Savings Bank.⁷⁷ If a significant increase in Chappy Ferry Inc.'s indebtedness were required to be supported by fares, it is difficult to see how fares could remain affordable for Chappaquiddick residents and visitors.

In two current instances, privately owned and operated ferry systems serving the public and facing significant capital outlays are being taken over by local governments in order to gain access to state and federal funding to support ferry operation and capital needs.⁷⁸

On January 20, 2026, the Grafton City Council unanimously voted to acquire the Grafton Ferry, owned by the Calhoun Ferry Company, in order to access government funding, stabilize service, and expand hours.⁷⁹ The Calhoun Ferry Company will continue to operate the ferry on behalf of the city. As of January of 2026, the Golden Eagle Ferries, carrying cars and passengers between Golden Eagle, Illinois and St. Charles County, Missouri, are pending takeover by Calhoun County, Illinois. The Calhoun Ferry Company, current owner/operator, would continue to operate the ferry service. Again, the primary purpose of moving toward public ownership is reported to be gaining access to federal funding programs to assist with repairs and future vessel replacements, thereby keeping tolls and fares affordable.⁸⁰ In both cases, access to government funding means that the operation and capital needs of the ferry service will not have to be supported entirely by fares, thus avoiding the imposition of untenable fare increases upon the public dependent upon the ferry service.

⁷⁶

<https://www.latimes.com/socal/daily-pilot/news/story/2024-03-18/balboa-island-ferry-receives-a-lifeline-through-8-3-million-grant>

⁷⁷ September, 2019 Agreement by and among the Town of Edgartown, Chappaquiddick Ferry, Inc., and Martha's Vineyard Savings Bank. The CIA obtained this document in response to a public records request to the Town of Edgartown.

⁷⁸ The Grafton Ferry was purchased by the City of Grafton IL from its longtime private owner the Calhoun Ferry Company in January of 2026. (<https://m.riverbender.com/news/details/grafon-ferry-purchase-agreement-is-official-90172.cfm>); the Golden Eagle Ferries are the subject of purchase negotiations between Calhoun County IL and the Calhoun Ferry Company as of January of this year (<https://www.theintelligencer.com/news/article/calhoun-golden-eagle-ferries-purchase-illinois-21122564.php?utm>).

⁷⁹ Reported in The Telegraph (<https://www.thetelegraph.com/news/article/grafon-ferry-city-ownership-mississippi-river-21305725.php?utm>) and on Riverbender.com (<https://m.riverbender.com/news/details/grafon-ferry-purchase-agreement-is-official-90172.cfm?utm>).

⁸⁰ Reported in The Intelligencer (<https://www.theintelligencer.com/news/article/calhoun-golden-eagle-ferries-purchase-illinois-21122564.php?utm>) and The Telegraph (<https://www.thetelegraph.com/news/article/calhoun-golden-eagle-ferries-purchase-illinois-21110089.php?utm>).

Another avenue to fund capital costs could be town procurement of new ferries using grants and subsequent low cost leasing to the private ferry operator. This approach has been suggested by Peter Wells, current owner/operator of CFI.⁸¹

Climate Change, Sea-Level Rise, and Ferry Infrastructure

In 2019, Edgartown participated in the Massachusetts Municipal Vulnerability Preparedness (MVP) Program and commissioned a Climate Change Vulnerability Assessment and Adaptation Plan, prepared by the Woods Hole Group in collaboration with Fuss & O'Neill. The first step of the assessment, a Community Resilience Building Workshop and Summary of Findings, identified further study of the Chappy Ferry Infrastructure as its number one recommendation.⁸² The final report evaluated risks from sea-level rise, coastal flooding, storm surge, and increased nuisance flooding across municipal assets. The Chappaquiddick Ferry landings and associated access infrastructure were identified as presenting the highest risk among the Town's most vulnerable facilities given the direct and indirect impacts of ferry service interruption likely to be seen in the coming decades, potentially on a daily basis.⁸³ At 40% design, Fuss & O'Neill estimated the cost for Chappy Ferry resiliency work at \$6.5 to \$9.5 million, excluding vessel replacement, based upon 2027 construction pricing.⁸⁴ Edgartown Town Administrator, James Hagerty, has estimated that the Chappy Ferry resiliency improvements, excluding vessels, could total around \$15 million, noting that a bridge alternative would exceed \$60 million.⁸⁵ Mr. Hagerty also provided the broader context for the Town, which currently faces capital expenditures totaling \$200 to \$250

⁸¹ At a July 2023 meeting of the CFSC, Peter Wells raised the possibility of hiring a qualified naval architect to design a third ferry, reasoning that CFSC is well positioned to facilitate the design and grant funding for a town-owned vessel to be leased to the operator. CFSC minutes of July 7, 2023.

⁸² The first "Recommendation to Improve Resilience" in the Woods Hole Group's *Town of Edgartown Community Resilience Building Workshop Summary of Findings (2019)*, page 9, was:

Conduct a feasibility study for increasing resiliency of Chappy Ferry Infrastructure. In March of 2018, Edgartown experienced three Nor'easters over the span of two weeks and experienced high winds, coastal flooding, and loss of power. In particular, the Chappy Ferry infrastructure (landings and ramps), which is located in a low-lying area, was flooded by these storms. Chappy Ferry provides a critical transportation link between the Town of Edgartown and Chappaquiddick Island and workshop participants highlighted the importance of increasing its resiliency in the face of climate change, storm surge, and other hazards. Participants feel there is a need to create an advisory group or committee to conduct a feasibility study for increasing the resiliency of the Chappy Ferry Infrastructure. Some tasks the feasibility study might address would be to understand all of the risks from flooding and storms to the Chappy Ferry infrastructure, to allocate money for the long-term resiliency management, and identify alternative solutions which may include the re-engineering and/or relocation of the Chappy Ferry.

⁸³ Edgartown Climate Change Vulnerability Assessment and Adaptation Plan (June 2021), Section 4.3.2 at page 47, accessible at: https://www.dropbox.com/s/cl/fi/ayfo13wdfu2qs9g1aey45/EDGARTOWN_CCVA_Report_Final.pdf?rlkey=tbbzg06znsezthe21bd2swojn&e=1&dl=0.

⁸⁴ CFSC Minutes of August 13, 2025.

⁸⁵ CFSC Minutes of July 7, 2023.

million for wastewater system upgrades, school construction, and public safety facilities.⁸⁶

Following the vulnerability assessment, Edgartown sought grant funding from Edgartown voters authorized funding in 2022 for a dedicated engineering study focused specifically on the Chappaquiddick Ferry's exposure to climate-related hazards. The Chappy Ferry Steering Committee participated in scoping this study to ensure alignment with operational realities and community needs. The Town engaged Fuss & O'Neill to evaluate the resilience of ferry ramps, landing structures, parking areas, and access roads, and to develop conceptual adaptation strategies and cost estimates. Interim findings from this work were presented publicly during a Chappy Ferry Steering Committee information session on April 27, 2023.⁸⁷ Consultants shared coastal modeling showing projected increases in "higher high tides" and storm surge encroachment into ferry landing areas by mid-century. These projections underscored the growing frequency of nuisance flooding and the increasing risk to ferry ramps, landings, and adjacent roadways, reinforcing the need for long-term resilience planning.

The 2024 Edgartown Master Plan incorporates the conclusions of the Town's climate vulnerability work and explicitly identifies the Chappaquiddick Ferry landings and related infrastructure as among the municipal assets most at risk from coastal flooding and sea-level rise.⁸⁸ The Master Plan emphasizes the ferry's critical role in daily access, emergency response, and community connectivity for Chappaquiddick, and affirms that ferry infrastructure must be addressed as part of the Town's broader climate adaptation strategy. The Plan also recommends as an action to support *Goal 6.5 Support climate resilience initiatives*, a "plan for full electrification of the Chappy Ferry no later than 2040."⁸⁹

Continuity

The uninterrupted continuity of ferry service to and from Chappy, at robust capacity, is of the utmost importance, given the community's reliance on the ferry to access emergency services, schools, town services, transportation, and the basic necessities of life. Minor interruptions of ferry service, such as those caused by utility or construction work adjacent to the ferry slips, work on the ferry slips themselves, and weather, create major disruptions and increased risks for residents and visitors on Chappy. In the short term, a third ferry would greatly enhance the Chappy Ferry's ability to provide continuous service. In the middle to long term, a plan for the future capital and operation needs of the ferry service will be essential to its uninterrupted continuity.

⁸⁶ Id.

⁸⁷ CFSC Minutes of April 27, 2023. Fuss & O'Neill provided updates on the Chappaquiddick Ferry Resiliency Project to the CFSC, noting progress on technical memoranda and pending revisions to design alternatives, in May and July of 2023. CFSC Minutes of May 8, 2023 and July 7, 2023.

⁸⁸ Edgartown Master Plan (2024), p.106, accessible at: <https://www.mvcommission.org/sites/default/files/docs/2024%20Edgartown%20Master%20Plan.pdf>

⁸⁹ Id. at page 120.

Conclusion

The Chappy Ferry is, and has always been, more than a ferry. For more than two hundred years it has been Chappaquiddick's connection to the world — the means by which residents reach emergency services, children reach schools, families reach the necessities of life, and visitors reach one of Martha's Vineyard's most treasured destinations. The Town of Edgartown has long recognized this reality, through its licensing authority, its ownership of the ferry landings, its investment in climate resilience planning, and its repeated engagement with the question of the ferry's governance and future. Chappy Ferry, Inc. has honored that reality through nearly twenty years of dedicated, and on occasion even heroic, service to the community.

That shared history is the foundation on which the future must be built. But the future will make demands that the current framework is not equipped to meet.

The vessels that have carried Chappaquiddick residents across the harbor for decades are aging. The landings that anchor them are vulnerable to the rising seas that climate change has made inevitable. The cost of replacing both will be substantial — far beyond what fare revenues alone can be expected to support without imposing burdens on ferry users that no one in this community should wish to see. And there is, at present, no plan to fund these capital needs.

The absence of a plan is not a failure of will. It is, in significant part, a consequence of an out-of-date governance framework from 1993 that never required a plan; one that has allowed essential decisions about rates, capital needs, service standards, and long-term sustainability to remain opaque and uncoordinated and dependent on the initiative of individual Select Board members and the goodwill of a private operator rather than on durable institutional structures. The Town has had the authority to require more. The recommendations to do so have been made, more than once, by committees the Town itself appointed.

The CIA presents this report not as a criticism of those who have given so much to the ferry and to the community it serves, but as an expression of the community's confidence that a better framework is possible — and its commitment to helping build one. The Chappy community, the Town of Edgartown, Chappy Ferry, Inc., and future ferry operators share a common interest in a ferry that is safe, reliable, fairly priced, financially sustainable, and prepared for the challenges that the coming decades will bring. That common interest is the basis for the collaborative planning that this report is intended to support.

The decisions ahead — about governance, capital funding, ownership transition, and climate resilience — are consequential and complex. They will require candor, goodwill, and sustained engagement from all parties. They will require the Town to exercise the authority it holds and to bring the resources of municipal government to bear on a problem that private enterprise alone cannot solve. They will require the current and

future operators to participate in planning for a transition that serves the community as well as it has served it in the past. And they will require the community to support, and hold accountable, the process through which those decisions are made.

The Chappy Ferry has endured for more than two centuries because every generation that depended on it found a way to sustain it. This generation's obligation is no different — and no less achievable.

APPENDIX A

Oversight Comparison: Chappy Ferry to Publicly Owned Ferries

| Dimension | Edgartown Select Board (Chappy Ferry) | Steamship Authority (MA) | Washington State Ferries / WSTC | Alaska Marine Highway System | SF Bay Ferry (WETA) | NYC Ferry / Staten Island Ferry |
|----------------------------|---|--|---|--|---|--|
| Legal Status | Municipal Select Board overseeing a privately owned ferry under historic licenses | Independent public authority created by MA statute | State ferry system with fares overseen by a state transportation commission | State ferry system within DOT&PF with statutory advisory board | Regional public transit authority | Municipal ferry systems under city agencies |
| Fare Authority | Approves maximum fares upon operator request on confidential finance review; discounts in operator's discretion | Direct fare-setting authority exercised by Authority Board | Fare policy adopted by Transportation Commission after structured process | Fares proposed by DOT, reviewed through formal planning and advisory process | Board-approved fare policy integrated with transit planning | Fares (or fare-free policy) set through city budget and contract process |
| Financial Reporting | No routine requirement; financials reviewed only when requested or disputed | Regular audited financial statements and public budgets | Ongoing financial reporting and legislative oversight | Annual operating and capital plans, public financial documents | Annual budgets, audits, and financial plans | City budget documents and contract audits |
| Performance Metrics | No formal KPI or service standard regime | On-time performance, capacity, reliability reported publicly | Performance measures tracked system-wide | Performance targets included in system plans | Transit performance standards and reporting | Safety, reliability, and service reporting |
| Capital Planning | No formal capital planning or reserve requirements | Multi-year capital improvement program | Long-range capital plans reviewed by commission | 5-year and long-range fleet and terminal plans | Capital plans integrated with regional transit funding | Capital planning through city DOT and capital budgets |

| Dimension | Edgartown Select Board (Chappy Ferry) | Steamship Authority (MA) | Washington State Ferries / WSTC | Alaska Marine Highway System | SF Bay Ferry (WETA) | NYC Ferry / Staten Island Ferry |
|--------------------------------|---|--|--|-------------------------------------|------------------------------|---|
| Public Engagement | Ad hoc hearings; steering committee input unaddressed | Statutory public meetings and port council | Required public engagement and ferry advisory committees | Advisory board with public meetings | Formal public board process | City council, agency hearings, and public comment |
| Continuity of Oversight | Dependent on changing board members and issues raised | Institutional continuity via authority staff and board | Permanent commission and agency staff | Permanent agency and advisory board | Permanent regional authority | Permanent city agencies |
| Regulatory Character | Reactive and negotiated | Institutional and utility-like | Formal and policy-driven | Programmatic and planned | Transit-system governance | Municipal transportation governance |

Observations:

1. Edgartown relies on episodic, issue-triggered oversight rather than continuous regulatory review; appointed a Steering Committee but does not discuss its input.
2. All five comparators treat ferries as public transportation systems, even when operations are contracted out.
3. Regular financial disclosure, performance metrics, and capital planning are standard elsewhere and largely absent in Edgartown’s historic framework.
4. Where other bodies embed oversight in institutions, Edgartown relies on process (hearings, committees) without permanent structure.

Sources for Oversight Comparison

Washington State Transportation Commission – Roles & Responsibilities

<https://wstc.wa.gov/roles-and-responsibilities/>

WSDOT – Washington State Ferries Community Participation

<https://wsdot.wa.gov/travel/washington-state-ferries/about-us/community-participation>

Steamship Authority – Governance (via Wikipedia)

https://en.wikipedia.org/wiki/Steamship_Authority

Alaska Marine Highway Operations Board Strategy

<https://dot.alaska.gov/amhob/strategy.shtml>

San Francisco Bay Ferry Overview (WETA) – via congressional testimony
<https://www.congress.gov/event/117th-congress/house-event/114067/text>

NYCEDC Ferry Report (NYC Ferry)
<https://edc.nyc/sites/default/files/2025-11/NYCEDC-NYC-Ferry-Report-2025.pdf>

APPENDIX B

Oversight Comparison: MBTA Ferries to Chappy Ferry

Legal and Institutional Basis

| Aspect | MBTA Ferry Oversight | Municipal Oversight (e.g., Edgartown / Chappy Ferry) |
|-----------------------------|---|---|
| Legal Authority | Derived from state statute establishing the MBTA as a regional transportation authority; empowered to operate multimodal public transit, including ferries. | Derived from Mass. Gen. Laws c. 88 , which authorizes municipalities to license private ferry operators and regulate landings and maximum fares. |
| Governance Structure | Permanent transit authority with a governing board, dedicated staff, and integrated oversight across modes. | Municipal board (Select Board) with broad responsibilities; ferry oversight is one among many duties. |
| Purpose of Oversight | Continuous operation, planning, budgeting, integration with transit network. | Episodic regulation of a private service primarily for public convenience and safety. |

Financial Oversight and Reporting

| Aspect | MBTA Ferry Oversight | Municipal Oversight (Edgartown) |
|-------------------------------|---|--|
| Financial Reporting | Requires regular budgeting, audits, and transparent reporting as part of MBTA Systemwide finances. | No formal routine financial reporting requirement; financial disclosure typically arises only when rate changes are requested. |
| Fare Authority | Authority sets fares as part of a structured, ongoing policy process tied to the overall MBTA budget. | Select Board approves <i>maximum fares</i> , not discount programs, and only upon request by the ferry operator, under ch. 88. |
| Cost-of-Service Review | Implicit in ongoing budget cycles; financial planning supports fare decisions and capital plans. | Limited; financial review is ad hoc and reactive. |

Service Performance and Standards

| Aspect | MBTA Ferry Oversight | Municipal Oversight (Edgartown) |
|---|--|---|
| Performance Metrics | Ridership, on-time performance, reliability consistently monitored and reported. | No formal performance KPIs tracked as part of oversight; issues are addressed episodically when raised by public or operator. |
| Service Levels and Planning | Integrated into MBTA and regional transportation planning. | Service levels are determined by private operator; municipal oversight limited to public complaints or licensing conditions. |
| Asset Condition/Capital Planning | Includes long-range planning for vessels and infrastructure. | No formal capital planning mandates; infrastructure issues discussed incidentally. |

Public Engagement and Accountability

| Aspect | MBTA Ferry Oversight | Municipal Oversight (Edgartown) |
|--------------------------------|--|---|
| Public Meetings | Regular board meetings and Advisory Board (including a ferry committee) with scheduled opportunities for public input. | Public hearings are scheduled when specific issues (like fare changes) are on the agenda. |
| Stakeholder Involvement | Local representatives can participate through advisory structures; service planning includes community engagement. | Public can comment at hearings; no standing advisory body by default (ad hoc committees may be formed). |
| Transparency | Ongoing reporting of budgets, performance, and planning. | Transparency depends on agenda items and public requests; not systematically published. |