

AMH Reshaping Work Group-Summary Minutes – May 14, 2020

Members Present: Admiral Tom Barrett(Chair), John Torgeson, Wanetta Ayers, Lee Ryan, Robert Venables, Tony Johansen, John Torgerson, Ben Goldrich, Representative Louise Stutes, Tera Ollila (Admin)

Excused absence: Senator Bert Stedman

The Chair called the meeting to order at 1:30 pm.

The agenda is a continuation of the prior meeting's discussion with expansion, clarification and further refinement of reshaping plan strategic objectives.

RELIABILITY- dependability often more critical than service frequency to coastal community residents and businesses, seasonal aspects acknowledged, better overall understanding of core tribal and community economic and social transportation needs versus wants desirable.

- Dependability, serviceability, and maintenance of fleet.
- Right sizing to fit needs of community.
- Robust maintenance system.
- More transparency regarding maintenance schedule/work.
- Defining minimum levels of service.
- Dynamic scheduling on as needed bases. Community would aggregate what demand is to determine level of service and increase efficiency.

INTEGRATED TRANSPORTATION FUNCTIONALITY- system transportation infrastructure economic driver, connection for coastal communities to roads and airports, mainland road system and other Alaska communities, able to move passengers and freight, emphasis on needs of Alaskan coastal communities not tourism per se. Improving ferry system integration and communication with ports and communities helpful. Have to look at system as a whole.

Need to identify and capitalize all potential funding sources that may be available. Plan to have future discussions with finance staff.

GOVERNANCE MODEL- status quo suboptimal for responsive and financially accountable marine highway system, empowered board or state corporation, consistent recommendation of prior studies. Multiple reshaping options available to consider, adequate decision authority and practicality critical to success.

- Inconsistency between changing administrations has been a hindrance.
- Public corporation models available to look at for examples.
- Challenge is getting legislature to release control.
- Suggested an established formula for funding to be able to plan.
- Need a dependable budget.

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- New governance structure that is not political.

STABLE FINANCIAL MODEL- ferry system needs stable, clear and consistent budget goals that management can plan and work to, revenue sources, the financial goals, options and limits clearly identified and generally predictable

- Forward capital funding
- Long term solutions to the system that provide stability
- Optimize funding options
- Outreach for help to other sources available

EFFICIENT AND EFFECTIVE BUSINESS PROCESSES – System operating cost and reliability critical factors, business practices should be designed and managed for effective and efficient asset management and service delivery, inefficient or ineffective practices should be changed or eliminated.

- Understanding the intricacy of the maintenance and operations aspect.
- Better communication with the vessels and transparency.

CAPITAL ASSETS MATCHED TO LONG TERM SYSTEM NEEDS – Current aging fleet not matched to current operating needs, limited agility/adaptability for changing needs. Forward looking adjustment and transition plan for more efficient, flexible, tailored to core services and safety requirements using ferries and/or private ferry services. Consider private sector partnerships and local authorities to operate system pieces.

- What are the actuals? Cost benefit analysis needed to understand it better.
- Right size fleet, what vessels are needed where.
- Need well considered vessel in fleet with increased flexibility/operability and shore side capability.
- Simplify wherever possible.
- Need for focus on deliverables that can be implemented and are realistic for the state.
- Money can be saved by utilizing personnel with scheduling.

SAFETY – Operating the system safely and in compliance with regulations is vital.

Plan to schedule meetings with communities. Anchorage and Ketchikan was discussed to start with. The next meeting scheduled for May 21, 2020 at 2:00pm

Meeting adjourned at 3pm.

An audio recording of the meeting including all member comments is available at dot.amh-reshaping@alaska.gov