

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
February 2, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 2nd day of February, 2017, beginning at 9:30 a.m., in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County (who participated remotely by Skype); and Elizabeth H. Gladfelter of Falmouth.

Port Council member Robert S. C. Munier of Falmouth was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Marketing Kimberlee J. McHugh; Director of Engineering and Maintenance Carl R. Walker; Woods Hole Terminal Manager Kevin Smith; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. Hanover's Remote Participation in the Meeting:

Ms. Tierney announced that she had been notified by Mr. Hanover that he desired to participate remotely in this meeting because his geographic distance from Falmouth made his physical attendance today unreasonably difficult. Ms. Tierney stated that she agreed with Mr. Hanover and that, as the Authority's Chairman, she had determined that Mr. Hanover's physical attendance was unreasonably difficult due to his geographic distance from Falmouth and that, therefore, he may participate remotely in this meeting, which includes voting on all matters. Ms. Tierney noted that Mr. Hanover would be doing so by Skype, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Finally, Ms. Tierney announced that, due to Mr. Hanover's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to approve the minutes of the Members' meeting in public session on December 20, 2016.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for November 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 4.1%), more automobiles (up 5.6%) and more trucks (up 7.4%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$2,154,000, approximately \$165,000 lower than what had been projected, with operating revenues and other income \$880,000 higher than projected and the Authority's operating expenses, fixed charges and other expenses \$716,000 higher than projected, primarily due to higher dry-dock expenses relating to the *M/V Martha's Vineyard* and the *M/V Sankaty* and higher labor costs related to changing the watch arrangement on the *M/V Woods Hole* from a double crew to a triple crew for the entire month.

Mr. Lamson also reported that the Authority's net operating income for the first eleven months of 2016 had been \$14,048,000, around \$4,814,000 higher than expected, with operating revenues and other income having been \$5,098,000 higher than projected during that period and operating expenses and fixed charges \$284,000 higher than projected. Mr. Lamson noted that the extra vessel maintenance expenses that the Authority had incurred this year, including the dock repairs at the Nantucket terminal and the dry-docking expenses for the *M/V Governor* and the *M/V Sankaty*, had been offset with lower-

than-budgeted fuel oil prices and health care claims paid from the Authority's self-funded medical plan.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority's design team for the Woods Hole terminal reconstruction project was continuing to work on the design development documents for the marine work that will take place in phases over the next several years, starting in 2018. Mr. Lamson stated that the Authority expected to have all of the plans and specifications finalized later this year so that an invitation for bids for all of the marine work can be issued in September. Mr. Lamson also noted that the Authority will be issuing a separate invitation for bids this summer for the demolition of the existing terminal building, which will start next January.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the Authority's new administrative office building in the Palmer Avenue parking lot, was finishing the building's underground electrical work and piping this week, and that it expected to finish the remaining foundation work next week, including pouring the concrete floor. Mr. Lamson also reported that the Authority had had a pre-mobilization meeting with the contractor's steel erector and steel supplier the previous week, and that the contractor planned to begin erecting the steel for the building later this month.

Mr. Lamson then gave a PowerPoint presentation showing the contractor pouring the footings and walls for the foundation, and laying the underground electrical work and piping. The presentation also included renderings of what the exterior of the building will look like, internal floor plans for each floor of the building, and drawings of what the interior will look like from different locations within the building.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTv.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that Triumph Modular, Inc. was planning to mobilize next week to begin the excavation and foundation work for the temporary Woods Hole terminal building, and that it still expects the building to be completed before the upcoming summer season. Mr. Lamson then gave a PowerPoint presentation showing the site plan for the area of the Woods Hole terminal where the temporary terminal building will be located, renderings of what the exterior of the building will look like, and the internal floor plan for the building.

In response to a question from Mr. Jones, Mr. Lamson stated that the new permanent terminal building will not have a conference room, although it will have a small training room. Mr. Lamson noted that the Authority had decided not to have a conference room in the new terminal building to address the Woods Hole community's concerns about the size of the new building. Mr. Jones then asked Mr. Lamson to see what could be done about including a conference room in the new terminal building. But Mr. Lamson noted that the Authority's new meeting room will be located in its new administrative offices at Palmer Avenue, where the Authority's senior management staff will also be working, and he observed that it is going to be a challenge for the staff to stay connected to the Authority's operations and customers from that location.

However, Ms. Gladfelter stated that it will be nice to have new restrooms at the Woods Hole terminal, observing that the restrooms in the current terminal building get a lot of use from people using the bike path and visiting Woods Hole. Mr. Lamson agreed, noting that there are no other public restrooms in Woods Hole village, which Ms. Gladfelter stated was the reason why all of the businesses in the village directed people to use the restrooms at the terminal.

Revised 2017 Late Summer and Fall Operating Schedules:

Mr. Lamson asked the Members to approve the staff's proposed revisions to the Authority's 2017 Late Summer and Fall Operating Schedule, as follows:

- Under the previously approved 2017 Late Summer Schedule for the Nantucket route, from September 19, 2017 through October 15, 2017, the *M/V Woods Hole* was scheduled to operate the second daily hazardous trip from Nantucket (leaving at 2:15 p.m.) on Mondays through Fridays. Instead, Mr. Lamson said, the staff was proposing to have the *M/V Gay Head* operate that second daily hazardous trip (leaving Nantucket at 1:30 p.m. on Mondays through Fridays) so that

the *M/V Woods Hole's* 2:15 p.m. trip will be available for vehicle reservations and passengers.

- Under the previously approved 2017 Fall Operating Schedules, beginning on October 16, 2017, only two vessels were scheduled to provide service on the Nantucket route, one large ferry (either the *M/V Eagle* or the *M/V Nantucket*) and one freight boat (the *M/V Gay Head*), both of which were scheduled to be triple-crewed. Mr. Lamson stated that, under the proposed revised schedules, from October 16, 2017 through October 27, 2017, the *M/V Sankaty* will be triple-crewed and operate the *M/V Gay Head's* 7-days-a-week schedule, while the *M/V Gay Head* will be single-crewed and provide two round trips per day on Mondays through Fridays during that period. Mr. Lamson noted that this will add a total of ten round trips per week (two additional round trips per day, Mondays through Fridays) on the Nantucket route during this period.
- Also under the approved 2017 Fall Operating Schedules, beginning October 16, 2017, only three vessels were scheduled to provide service on the Martha's Vineyard route, two large ferries (the *M/V Island Home* paired with either the *M/V Nantucket* or the *M/V Woods Hole*), both of which will be triple-crewed, and one freight boat (the *M/V Sankaty*) that was going to be double-crewed. Mr. Lamson stated that the staff was proposing to replace the *M/V Sankaty* on this route with the *M/V Katama* for the entire schedule and, from October 16, 2017 through October 27, 2017, to add the *M/V Woods Hole* to this route with a triple crew so that it can provide seven additional round trips per day. Further, Mr. Lamson said, after the *M/V Woods Hole* stops providing service on this route on October 28, 2017, the staff was proposing to continue triple-crewing the *M/V Katama* through December 5, 2017 and having the vessel berth overnight on the island during that time so that its first trip from Vineyard Haven will be at 5:30 a.m. As a result, the 5:30 a.m. freight trip from Woods Hole, which operated through December 7th this past year, will stop running for the season on October 27th in 2017.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that trucks carrying products such as gasoline and propane are considered to be carrying hazardous cargo not only when they are full with those products traveling to the islands but also when they are returning empty from the islands. In response to a question from Mr. Hanover, Mr. Lamson stated that, although the *M/V Katama's* 5:30 a.m. freight trip from Vineyard Haven would not be on the published schedule, it would not be designated a hazardous trip and thus

would still be available for travel by passengers except in those instances where the vessel's draft exceeds the allowable depth for carrying more than sixteen passengers.

Mr. Lamson also reported that the Authority had received 35 comments from the public in response to the notices that had been placed about the proposed schedule changes in local newspapers, and he noted that all of those comments were from Falmouth residents and that 75% of them were similar in that they were opposed to any trips departing Woods Hole before 6:30 in the morning. But Mr. Lamson stated that the staff was of the opinion that delaying the first trip from Woods Hole to 6:30 a.m. would cause more detrimental impacts and changes to a greater number of stakeholders, including commuters, students, contractors, freight shippers and island residents who have become accustomed to the current ferry schedules.

In this regard, Mr. Lamson noted that there are 35 island residents who attend Falmouth Academy and take the 7:00 a.m. trip from Vineyard Haven on a daily basis. Mr. Lamson noted that, if the first trip from Woods Hole were delayed to 6:30 a.m., those residents would have to take the 6:00 a.m. trip from Vineyard Haven or get to the mainland later. Mr. Lamson observed that such a change to the schedule would have similar significant impacts on the lives and livelihoods of other regular ferry travelers, including commuters and children from the mainland who attend charter schools on Martha's Vineyard.

Mr. Munier then reported that, at their January 4, 2017 meeting, the Port Council had discussed the staff's proposed schedule changes at length and had recommended their approval. But Mr. Munier noted that the Port Council had voted to recommend the approval of the proposed changes before the Authority had received any comments from the public, and he could not say what the Port Council would recommend now in light of all of the comments that subsequently were received.

Ms. Gladfelter noted that she had attended the Port Council meeting where the proposed revised schedules had been discussed, and that she agreed with an observation that Mr. Munier had made at the time, namely, that these issues are not going to go away. Ms. Gladfelter also stated that she wanted to expand on Mr. Lamson's concern about the impact that delaying the first ferry trip from Woods Hole until 6:30 a.m. might have on island residents who commute to the mainland, including students who comprise 17% of Falmouth Academy's student body. In this regard, Ms. Gladfelter observed that traffic is not just an issue in Woods Hole but an issue throughout all of Falmouth, and that there would be other impacts if 20 to 30 trucks which now leave Woods Hole before 6:30 a.m. were to travel down Route 28 and through the hospital lights at the

same time as others are commuting and when school buses are on the road. Thus, Ms. Gladfelter observed, there are many stakeholders involved in this situation and all of their needs have to be balanced.

Nevertheless, Ms. Gladfelter declared that there was still a concern about the number of trucks traveling on Woods Hole Road, and she noted that the staff's preliminary report on the feasibility of providing freight ferry service between New Bedford and Martha's Vineyard mentioned a number of alternatives that might alleviate that problem. Accordingly, Ms. Gladfelter asked Mr. Lamson if the staff could update that report for the next Authority meeting, particularly with respect to the possibility of barging trash off the island. Ms. Gladfelter also asked Mr. Lamson whether he thought the Authority is going to have to take a proactive stand on this subject.

In response, Mr. Lamson stated that the staff would update that report for the next Authority meeting, and he recounted how the staff recently had had a meeting with Ralph Packer, the Oak Bluffs and Tisbury Town Administrators, Robert Whritenour and John (Jay) Grande, and Greg Carroll to discuss the possibility of baling those two towns' trash, which would allow the trash to be loaded and transported by barge to New Bedford, where it will then be trucked to a disposal site. In this regard, Mr. Lamson noted that Mr. Packer already has facilities in both Tisbury and New Bedford that can be used for this purpose, and that the trash would represent a backhauling opportunity for Mr. Packer because he already is barging freight from New Bedford to the island.

Mr. Lamson further stated that the Authority would have to take the lead on this initiative and that, while there had been a prior study of the economics of a trash barging operation, in his opinion it had included certain costs (such as the cost of buying a tug and a barge) that would not need to be incurred because of Mr. Packer's existing facilities and equipment. Mr. Lamson also stated that he hoped the other towns on the island would also be willing to discuss this alternative for transporting their trash off-island.

Mr. Sayers cautioned, however, that barging trash off-island might not reduce the number of trucks on Woods Hole, as many of the trucks that are currently taking trash off of the island are carrying freight back to the island on their return trips, and those trucks might continue to make those round trips in order to carry freight to the islands. But Ms. Gladfelter observed that such a scenario would still represent an improvement from the current situation, as many of the complaints she receives are about the trash trucks going off-island in the early morning due to the fact that they are very heavy and make a lot of noise going up Woods Hole Road.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the revised 2017 Late Summer and Fall Operating Schedules recommended by management in Staff Summary #TPF-2017-2, dated January 25, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Resolution Authorizing the Sale of Steamship Bonds:

Mr. Davis then recounted how, at their last meeting, the Members had approved a Bond Resolution authorizing him to issue and sell up to \$12,685,000 of Steamship Bonds on a competitive basis. Since then, Mr. Davis said, the staff has been preparing the necessary documents, including a Preliminary Official Statement (POS) and a Notice of Sale (NOS) with the assistance of the Authority's fiscal advisor, Clark Rowell, and bond counsel, Claudia Matzko.

Mr. Davis noted that the original schedule called for the POS and NOS to be distributed by the end of January 2017 and the sale to take place on Monday, February 13, 2017. However, Mr. Davis stated that the Authority since has been notified that the Commonwealth of Massachusetts' information statement will not be available until the end of February 2017. Accordingly, Mr. Davis informed the Members that the current schedule calls for the POS and NOS to be issued on March 2, 2017, and for the sale of the bonds to take place on Monday, March 13, 2017, and he expressed his hope that the delay will not adversely affect the interest rates that the Authority will pay on the bonds.

Sales of Fast Ferry Ticket Books and Other Promotions in 2016:

Mr. Davis then reported that, in 2016, the Authority had sold 9,636 ticket books for the *M/V Iyanough*, a 21.2% increase in the number of fast ferry ticket books that were sold in 2015, and that 4,456 of those ticket books had been sold during the 15-day promotional sale the Authority had during the first two weeks of April 2016. Mr. Davis also reported that electronic ticket books now account for 97% of all of the Authority's fast ferry ticket book sales.

Mr. Davis further reported that, in 2016, the Authority also saw increased sales for certain of its other "Ways to Save" promotions, including a 6.8% increase in its fast ferry 1-day round trip tickets originating in Hyannis, and a 8.1% increase in its fast ferry 1-day round trip tickets originating on Nantucket. On the other hand, Mr. Davis noted that, in 2016, the Authority had sold fewer 1-3 day combo tickets (down 2.2%), fast ferry upgrade tickets (down 8.3%), and SuperSaver vehicle tickets (down 8.0%) on the Nantucket route than it had sold in 2015. But Mr. Davis reported that the Authority had sold 9% more gift cards in 2016 than it did in 2015.

Mid-Life Overhaul Services for the M/V Martha's Vineyard:

Mr. Lamson then asked the Members to award Contract No. 15-2016 for the Mid-Life Overhaul of the *M/V Martha's Vineyard* to Senesco Marine, LLC, of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$16,967,150. Mr. Lamson noted that the Authority had received three bids for the contract, and that each of the two other bids had been higher than \$18,000,000.

Mr. Lamson also noted that the amount of the lowest bid was higher than the Authority's budget estimate for the contract, but he stated that part of the difference was due to the fact that the contract also includes the cost of the vessel's routine dry-docking, which will be an operating expense and not included in the budget estimate that was prepared for the capital budget. In addition, Mr. Lamson said, a number of items had been added to the contract's scope of work after the invitation for bids had been issued.

Mr. Walker apologized for the difference between the budget estimate for the contract and the amount of the lowest bid, which he noted was almost \$3,000,000 and only approximately \$1,000,000 of that difference reflected costs that will be normal operating expenses. Mr. Walker stated that some of the items

that were added to the contract's scope of work after the invitation for bids had been issued were discovered during ship checks of the vessel, while other items simply had not been included in the budget estimate. However, Mr. Walker declared that he thought everything that is included in the project is necessary, such as the upgrades to stainless steel and copper piping to reduce future maintenance expenses, and that, after the project is completed, it will be a good boat that will last 25 more years.

At Ms. Tierney's request, Mr. Walker introduced Captain Edward Jackson of Marine Systems Corporation and noted that Captain Jackson had been the Authority's consultant for the construction of the *M/V Woods Hole* and, prior to that, had worked for the Authority for many years, having been involved in the original construction of the *M/V Martha's Vineyard* and the mid-life refurbishment of the *M/V Nantucket*. Mr. Walker stated that the Authority also planned on having Captain Jackson be the Project Manager for this project.

Finally, in response to a question from Mr. Jones, Mr. Walker stated that all three bidders submitted bids for the same scope of work, and that all of the additional items had been added to the contract prior to the opening of bids through the issuance of addenda to the invitation for bids.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to award Contract No. 15-2016 for Mid-Life Overhaul Services of the *M/V Martha's Vineyard* to the lowest eligible and responsible bidder for the contract, Senesco Marine, LLC of North Kingstown, Rhode Island, for a Total Contract Price of \$16,967,150, as recommended by management in Staff Summary #E 2017-1, dated January 20, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Munier reported that, at their meeting last month, the Port Council had discussed everything that had been considered by the Members that day, as well as a report by the staff on the status of the remaining punch list items that have to be completed in order to close out the construction contract with Conrad Shipyard. Mr. Munier noted that the number of punch list items had been reduced to five, and that the most significant remaining item was the HVAC system. Mr. Munier also reported that the staff was studying what ballast the vessel should be carrying in various load and sea conditions, and that Elliott Bay Design Group had been asked to study how the vessel will perform at certain speeds in various wave height conditions.

Mr. Walker stated that Port Captain Charles G. Gifford had been working with the vessel's Captains in their efforts to adjust the ballast in order to get a more even trim, and that the different amounts of ballast had not adversely affected the vessel's operation. However, Mr. Walker stated that the goal was to be able to load cargo evenly on the vessel and know what its draft will be under different load conditions.

Mr. Walker also stated that Elliott Bay was still developing different models of the vessel at different speeds in four-foot wave height sea conditions with some waves approaching up to eight feet, and that this modeling was for navigation in deeper water. In this regard, Mr. Lamson stated that the *M/V Woods Hole* is like all of the Authority's other ferries in shallow water, particularly on the Nantucket route, when they all begin to experience vibration at higher speeds and have to slow down. In response to a question from Mr. Jones, Mr. Lamson stated that the Authority's ferries have to slow down in water that is 20 feet deep, leaving only on nine or ten feet of water underneath the keel. In addition, Mr. Walker noted that it takes twice the horsepower to increase a vessel's speed in shallow water from 12 knots to 12.5 knots, which results in the Authority spending more money on fuel. By contrast, Mr. Walker said, the *M/V Woods Hole* can sail at 16 knots in deep water and, during its sea trials, it even sailed at 16.6 knots.

Mr. Munier then reported that, at their last meeting, the Port Council had received another report from the staff regarding the status of the upgrade to the Authority's point-of-sale ticketing system, that the system's new hardware was expected to be delivered by the end of February, and that the upgrade expected to be operational by March.

Process for the Selection of the  
Authority's Next Treasurer/Comptroller:

Mr. Lamson reported that the job description for the position of Treasurer/Comptroller had been updated and advertised both internally and in local and regional newspapers, and that the Authority already had received more than 40 applications. Mr. Lamson stated that all of the applications had been screened and that the initial round of interviews had begun. Accordingly, Mr. Lamson said, he felt confident that he and Mr. Davis will be able to put forth a qualified candidate for the Members' consideration at the next meeting.

Christmas in Edgartown:

Mr. Hanover stated that he had been asked by the Edgartown Board of Trade if the Authority would be willing to issue a license to Hy-Line so that it could provide passenger ferry service between Hyannis and Edgartown for the Board of Trades' *Christmas in Edgartown* event on December 8th and 9th, and he asked the staff if they could report back about the request at the Members' next meeting. In response, Mr. Lamson stated that Hy-Line had not contacted him about this subject, but that he would contact Hy-Line to find out about it.

Then, at approximately 10:31 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining matters and anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating, bargaining and litigating positions. After Ms. Tierney announced that these matters included:

- the potential new lease and an agreement of first refusal with Woodland Trust and G&B Realty Trust for the property located at 1251 Route 28A in Cataumet;
- the collective bargaining negotiations for new agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's security employees and licensed deck officers;
- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project; and

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining matters and anticipated and pending litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

At approximately 11:44 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County (who participated remotely by Skype); and Elizabeth H. Gladfelter of Falmouth. The following members of management were also present: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Operations Manager Mark K. Rozum; Director of Information Technologies Mary T. H. Claffey; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Ratification of Tentative Collective Bargaining Agreements:

Mr. Lamson announced that, at their previous meeting in executive session on December 20, 2016, the Members had voted to ratify a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's parking attendants and bus drivers, and that he recently has been informed that the employees in the bargaining unit have since ratified the agreement as well. Mr. Lamson then asked the Members to ratify a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's licensed deck officers, and he stated that the agreement already had been ratified by the employees in the bargaining unit the previous day.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager and Director of Human Resources to:**

- 1. execute the tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's Licensed Deck Officers; and**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

**as recommended by management in Staff Summary #HR-17-53, dated January 6, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Then, at approximately 11:47 a.m., Ms. Tierney stated that she would entertain a motion to adjourn the meeting.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to adjourn the meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
February 2, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 2, 2017 Meeting Memorandum (revised), dated January 27, 2017.
2. Minutes of the December 20, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of November 2016.
4. PowerPoint Presentation on the Authority's New Administrative Office Building.
5. PowerPoint Presentation on the Temporary Woods Hole Terminal Building.
6. Staff Summary #TPF-2017-02, dated January 25, 2017 – Proposed Revised 2017 Martha's Vineyard Spring Operating Schedule.
7. Staff Summary #E 2017-1, dated January 20, 2019 – "Mid-Life Overhaul Services of the *M/V Martha's Vineyard*" Contract No. 15-2016.
8. Minutes of the Port Council's January 4, 2017 Meeting (draft).
9. Statement to be Read Prior to Going into Executive Session.
10. Staff Summary #HR-17-53, dated January 6, 2017 – Tentative Collective Bargaining Agreement with Teamsters Union Local No. 59 Representing Licensed Deck Officers.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
February 21, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of February, 2017, beginning at 9:30 a.m., on the second floor of the Sea Education Association, located at 171 Woods Hole Road, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on February 2, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for December 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 1.5%), fewer automobiles (down 0.1%) and more trucks (up 2.3%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$4,093,000, approximately \$1,270,000 higher than what had been projected, with operating revenues and other income \$562,000 higher than projected and operating expenses, fixed charges and other expenses \$1,832,000 higher than projected, primarily due to a \$981,000 increase in various vessel and terminal maintenance expenses, a \$489,000 increase in pension expenses, and a \$242,000 increase in health care expenses.

Mr. Lamson also reported that, for the entire 2016 calendar year, the Authority had carried 3.4% more passengers, 3.7% more automobiles and 5.3% more trucks than it had carried in 2015, and that its net operating income had been \$9,955,000, around \$3,544,000 higher than expected, with operating revenues and other income \$5,660,000 higher than projected and operating expenses and fixed charges \$2,116,000 higher than projected. Mr. Lamson noted that the extra vessel maintenance expenses the Authority had incurred last year (primarily the *M/V Governor* and the *M/V Sankaty* dry-docking costs) had been partially offset by lower-than-budgeted fuel oil prices.

Finally, Mr. Lamson reported that the allocation of revenues and cost of service by route for 2016 could not have ended up any closer to the Authority's projections, with the Martha's Vineyard route accounting for 55.9% of the Authority's total operating revenues and non-service income and 56% of its total cost of service, and the Nantucket route accounting for 44.1% of the Authority's

total operating revenues and non-service income and 44% of its total cost of service.

Mr. Hanover observed that the Authority had reaped the benefits of fuel prices that were substantially lower than the prices that had been projected in last year's operating budget, and he asked whether the Authority has already hedged its fuel prices for 2017 and, if so, at what price. In response, Mr. Davis stated that the Authority's fuel prices already were hedged through all of 2017 as well as some of the first quarter of 2018, and that the hedged price was somewhere around \$2.10 per gallon. Mr. Davis also stated that, based upon forecasts that oil would cost around \$50 per barrel in 2017, the Authority had projected fuel prices to be lower for the purposes of the 2017 operating budget than it had for the 2016 operating budget.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the construction of the Authority's administrative office building in the Palmer Avenue parking lot, had essentially finished the building's foundation but had decided to wait until next month to pour the basement floor slab until some other work is completed. Mr. Lamson also reported that steel should be arriving to the work site this week and that G&R will begin erecting it before the end of the month. Further, Mr. Lamson said, G&R was moving along with the procurement of critical materials that have long lead times, and the building was still on schedule to be ready for occupancy by the end of the year.

Temporary Woods Hole Terminal Building:

Mr. Lamson then reported that Triumph Modular, Inc., the contractor for the temporary Woods Hole terminal building, had fenced off the work area, was planning to start excavation work this week, and still expected to finish the building by early this summer. Mr. Lamson also stated that, even though the building may be finished well before it is needed, he was still planning to have the Authority continue using the facilities in the existing terminal building through the end of the year.

In response to a question from Mr. Hanover, Mr. Lamson stated that Triumph's fencing would be removed after it completed the construction of the temporary terminal building, but that he did not know whether the Authority

will then have to fence off the building while it is not being used. Mr. Lamson also stated that, while the layout for the reconstructed terminal site does not include any areas for accessible parking spaces, he did not know whether there will be any room for accessible spaces on the site during the project's construction. In this regard, Mr. Lamson noted that the marine contractor will also need space at the site for its construction trailer.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority's design team for the Woods Hole terminal reconstruction project was continuing to work on the design development documents for the marine work that will take place in phases over the next several years, starting in 2018. Mr. Lamson also stated that the design team expects to have the plans and specifications finalized later this year so that an invitation for bids for all of the marine work can be issued by mid-September and the marine contract awarded at the Authority's November 2017 meeting. In addition, Mr. Lamson reported that the Authority will be issuing a separate invitation for bids at the beginning of August for the demolition of the existing terminal building, that the demolition contract was expected to be awarded at the Authority's September meeting, and that the demolition work will then start next January.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that the Authority's in-house programmers were in the final development and testing stage for the upgrade of the Authority's point-of-sale ticketing system, and that the staff expects all of the Authority's ticket sellers to be trained on the new system over the next several weeks. In addition, Mr. Lamson said, the staff already has started to receive positive feedback from those ticket sellers who have been putting the front end of the new system through some extensive testing.

Mr. Lamson further reported that the Authority's maintenance employees have started to work on the installation of the conduits for the power and communication connections that will be needed at each terminal so that the scanning equipment can be used at the passenger boarding ramps, gangways, and transfer bridges, where both passenger and vehicle tickets will be scanned. Mr. Lamson also stated that SkiData was scheduled to be on-site during the week of March 20th to work on the actual integration between the access control

readers, the servers that are being installed at each terminal, and the Authority's various ticketing systems. Mr. Lamson noted that the new access control readers will have the ability to read bar codes on passenger tickets that are sold online, through the Authority's mobile site, and from the new point-of-sale ticketing system to determine whether they are valid tickets that have not already been used.

Finally, Mr. Lamson reported that the staff was still working to have the upgraded system installed and operational at the Hyannis and Nantucket terminals before the *M/V Iyanough* resumes service on April 1, 2017, and at the Woods Hole, Vineyard Haven and Oak Bluffs terminals before the beginning of the summer schedule in mid-May. In response to a question from Mr. Hanover, Mr. Rozum stated that customers who now use commuter ticket books will instead have hard plastic cards, and that they will be able to present either those cards or their smart phones to be scanned. Mr. Rozum stated that regular passengers also will be able to present either cards or their smart phones, and they would have the additional option of presenting paper tickets. Mr. Rozum also stated that the staff was planning to have a period at the end of each month when commuters will be able to reload their commuter cards for the following month, and that the information will then be able to be scanned from either their cards or smart phones.

#### Christmas in Edgartown:

Mr. Lamson recounted how, at the last Authority meeting, Mr. Hanover had mentioned that he had been asked by the Edgartown Board of Trade if the Authority would be willing to issue a license to Hy-Line so that it could provide passenger ferry service between Hyannis and Edgartown for the Board of Trades' *Christmas in Edgartown* event on December 8th and 9th. Mr. Lamson stated that he had then contacted Hy-Line Vice President R. Murray Scudder, Jr., who informed him that Hy-Line was starting to look into this possibility and was planning to have one of its vessels stop at Edgartown on its way to Hyannis from the shipyard to see how it would fit at the Town's dock. Although Mr. Lamson noted that, at this point, he had no further information about this matter, he stated that he felt certain that something would be able to be worked out.

Hy-Line's Director of Public Affairs and Business Development, Marty Reilly, stated that Hy-Line was very excited about the possibility of providing ferry service from Hyannis for the *Christmas in Edgartown* event, that both Murray Scudder and Phillip Scudder had been working on this matter, and that Hy-Line was attempting to determine which of the vessels that it has available

will be the most suitable one for docking at Edgartown. Accordingly, Mr. Reilly stated that Hy-Line expected to bring a definitive proposal to the Authority for its consideration within the next few months, and that Hy-Line most likely would request a license to provide two trips per day between Hyannis and Edgartown on the Friday, Saturday and Sunday of the event.

The Members expressed their support for such a request from Hy-Line to provide ferry service for the event, and Ms. Tierney asked the staff to also contact SeaStreak to see if it similarly would be interested in providing ferry service between New Bedford and Edgartown for the event.

Later in the meeting, Mr. Jones asked Edgartown Board of Trade President Sydney Mullen and Board member Elizabeth Rothwell if they could provide some more information about the event. In response, Ms. Rothwell stated that the idea came from Nantucket's *Christmas Stroll*, where ferries are able to dock right in town for the event, and the Edgartown Board of Trade wanted to help travelers similarly experience the *Christmas in Edgartown* event by being able to take a ferry directly to Edgartown. After Mr. Jones wished them good luck with the event, Mmes. Mullen and Rothwell assured Ms. Gladfelter that Edgartown will welcome everyone who travels on the Authority's ferries that weekend as well. Mr. Hanover then noted that, in prior years, the event has resulted in more business that weekend for the entire island. Mmes. Mullen and Rothwell agreed, and stated that the Edgartown Board of Trade was also encouraging businesses outside of Edgartown to promote the event's activities.

Pre-Season Promotion for High-Speed Passenger Ticket Books:

Mr. Lamson then asked the Members to approve a marketing promotion for the *M/V Iyanough* this year when it returns to service on April 1st by offering a 20% discount on the sale of the Authority's electronic high-speed passenger ticket books from Monday, March 20th, through Monday, April 3rd. Mr. Lamson noted that, for the past five years, the Authority has offered a 20% discount on the sale of high-speed passenger ticket books for a short period of time prior to the *M/V Iyanough's* resumption of service each year. Mr. Lamson also noted that the promotion has become more popular every year and that, in 2016, more than 46% of all high-speed passenger ferry ticket books had been sold during this promotional period. Finally, Mr. Lamson stated that, at their meeting earlier this month, the Port Council had voted to recommend that the Members vote to approve the promotion.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period from March 20, 2017 through April 3, 2017, as recommended by management in Staff Summary #A-603, dated February 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Resolution Authorizing the Sale of Steamship Bonds:

Mr. Davis then recounted how, at their meeting on December 20, 2016, the Members had approved a Bond Resolution authorizing him to issue and sell up to \$12,685,000 of Steamship Bonds on a competitive basis not later than February 23, 2017. Mr. Davis stated that, at that time, the schedule had called for the Authority's Preliminary Official Statement (POS) and Notice of Sale (NOS) to be distributed by the end of January 2017 and for the sale to take place on February 13, 2017. But Mr. Davis noted that the POS is required to include the Commonwealth of Massachusetts' continuing disclosure agreement, as well as a current Information Statement certified by the Commonwealth's Treasurer and Receiver-General, and that they had not been issued until last week. Therefore, Mr. Davis said, the POS and NOS are now scheduled to be distributed on March 2nd, and the date for the sale of the bonds is now scheduled for March 13th. As a result, he asked the Members to readopt the Bond Resolution to authorize him to issue and sell the bonds on a competitive basis not later than June 30, 2017, saying that he was asking for the additional time beyond March 13th just to be safe.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to extend the time within which the Treasurer/Comptroller is authorized to issue and sell on a competitive basis up to \$12,685,000 of Steamship Bonds pursuant to the Bond Resolution adopted on December 20, 2016 from February 23, 2017 to not later than June 30, 2017, as recommended by management in Staff Summary #A-605, dated February 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Investment Policy:

Mr. Davis asked the Members to reauthorize the Authority's Investment Policy, which formally establishes the types of permitted investments that can be made with Authority funds. Mr. Davis advised the Members that the proposed policy, which must be formally adopted every two years in accordance with state regulations, is essentially the same as the policy that the Members previously approved in January 2015, and that it establishes the framework for the Authority's investments (fiscally conservative), identifies the types of permitted investments (government securities and the Massachusetts Municipal Depository Trust), and identifies risk avoidance. Mr. Davis also noted that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the Investment Policy as proposed.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to reauthorize the Authority's Investment Policy in the form attached to Staff Summary #A-604, dated February 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

On-Site Representation Support Services for the  
M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Lamson then asked the Members for authorization to enter into an agreement with Marine Systems Corporation (MSC) pursuant to which the Authority would pay MSC to have Captain Edward Jackson be the Authority's on-site Owner's representative for the *M/V Martha's Vineyard* mid-life refurbishment project. Mr. Lamson stated that, based upon the projected number of hours that will be needed for Captain Jackson to perform the anticipated support services, the staff expects that the cost of this contract will be around \$135,000. Mr. Lamson noted that, under the Authority's Procurement Policy, the contract requires the Members' approval because the estimated amount is greater than \$100,000. In response to a question from Mr. Jones, Mr. Lamson stated that the payments will be made to MSC, Captain Jackson's employer, and not to Captain Jackson directly.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to enter into a contract with Marine Systems Corporation for on-site representation support services for the mid-life refurbishment of the *M/V Martha's Vineyard*, in substantially the form attached to Staff Summary #E 2017-2, dated February 15, 2017, and as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Waste Management and/or Transportation Logistics Consultant:

Mr. Lamson then asked the Members for authorization to procure the services of a waste management and/or transportation logistics consultant to evaluate the feasibility of transporting municipal solid waste (MSW) from the island of Martha's Vineyard by barge. Mr. Lamson recounted how, over the past few months, the staff has had meetings with representatives from the Towns of Oak Bluffs and Tisbury and Ralph Packer, owner of Tisbury Towing and Transportation Inc. and R.M. Packer Co., Inc., to discuss the logistics and possible timing of barging the Towns' MSW to the mainland. Mr. Lamson stated that, although previous feasibility studies conducted for the Towns have concluded that barging MSW would not be cost effective, he believes that those studies did not take into account the fact that Mr. Packer already is barging bulk freight from New Bedford to Martha's Vineyard and has facilities at both locations. Therefore, Mr. Lamson said, barging MSW off-island to New Bedford will represent a backhauling opportunity for Mr. Packer, which he should be able to provide at a lower cost. Mr. Lamson stated that, if the Members were to authorize him to retain a consultant for this purpose, the consultant will be asked to evaluate the logistics and economics of such a backhauling barge operation to help the Authority determine whether there is a more cost effective way to transport MSW off-island than carrying it by truck on board the Authority's ferries.

Mr. Jones observed that, if Mr. Packer were to start barging MSW from Martha's Vineyard, there would be fewer trucks on the Authority's ferries, which would have an impact on both the Authority's revenues and the truckers who are no longer transporting MSW. Accordingly, Mr. Jones said, the staff should make certain that the consultant also study and quantify all of these potential impacts of a MSW barging operation, as they could be substantial.

Mr. Lamson agreed, and stated that the consultant will be asked to detail what it currently costs to transport MSW off-island by truck, and that those costs will include how much is paid to the Authority. Mr. Lamson also noted that the comparable costs of a barging operation will include the cost of baling the MSW, as well as the costs incurred at the transfer station, barging the MSW to New Bedford, and then unloading the MSW onto trucks to the final disposal site. In response to a question from Mr. Jones, Mr. Lamson stated that baling the MSW would result in it being shrink wrapped.

Mr. Balco then reported that the Authority had a good meeting with all of the various players in this matter, and that some aspects of the barging operation had not been correctly assumed in the previous feasibility studies. Mr. Balco also stated that a barging operation could be beneficial to everyone, observing that Mr. Packer ships a lot of bulk freight from New Bedford and backhauling MSW would improve the economics of those transportation costs. Mr. Balco also noted that baling and wrapping the MSW will cut back on the amount of space it takes and will also eliminate any odor so that the bales will be able to be stored for a period of time. As a result, Mr. Balco said, it may be necessary to barge MSW off-island only a few times per month even during the summer.

Mr. Balco stated that, for all of these reasons, he agreed with the staff that the idea of barging MSW off-island has a lot of potential and would be beneficial from an economic point of view. Mr. Balco also noted that the trucks which will no longer be carrying MSW off-island will probably be used in other ways and that the Authority similarly will find other customers to fill up their spaces on the ferries, resulting in a “win-win” situation all around.

In response to a question from Mr. Jones, Mr. Balco stated that the barging operation would be only for MSW and that it would not include recyclables. In addition, Mr. Balco said, initially only the MSW of the Towns of Tisbury and Oak Bluffs would be barged off-island, although he hoped that all of the other towns on Martha’s Vineyard would eventually join them. Mr. Hanover then observed that one huge benefit of such a barging operation would be getting the trash trucks off of Falmouth roads.

In response to a question from Ms. Tierney, Mr. Balco stated that the Authority had not yet had any discussions about this subject with the City of New Bedford, and that the disposal site for the Towns’ MSW is the Crapo Hill Landfill, which is owned and operated by the Greater New Bedford Regional Refuse Management District. Mr. Hanover also noted that the two Towns already have a contract with that District for the disposal of their MSW.

Also in response to a question from Ms. Tierney, Mr. Lamson stated that the cost of a consultant should be well under \$100,000. Mr. Lamson also stated that the staff had not yet had any discussion with the City of New Bedford about this subject, as they were waiting until they have more information. However, Mr. Lamson noted that this barging operation would not result in the unloading of any trash trucks onto the New Bedford State Pier, as Mr. Packer has his own facilities farther north in New Bedford harbor where the MSW would be unloaded and then trucked to the final disposal site.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to procure the services of a waste management and/or transportation logistics consultant to evaluate the feasibility of transporting municipal solid waste from the island of Martha's Vineyard by barge, as recommended by management in Staff Summary #GM-681, dated February 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco reported that, at their meeting last month, the Port Council had welcomed its new member from the Town of Barnstable, Eric W. Shufelt, and that while they will miss having Mr. Jones on the Port Council, they are very happy to have someone to replace him who is so well qualified for the position. Mr. Balco also reported that the Port Council had reviewed the status of the remaining punch list items for the *M/V Woods Hole* and noted that its recent assignment to the Nantucket route would help provide the Authority with a long-term understanding of its capabilities. Otherwise, Mr. Balco said, the Port Council had discussed everything that had been considered by the Members that day, including the upgrade to the Authority's point-of-sale ticketing system, the reauthorization of the Authority's Investment Policy, and the economics of barging municipal solid waste from the island of Martha's Vineyard.

In response to a question from Mr. Hanover regarding the ability of the *M/V Woods Hole* to operate in shallow water and in different kinds of weather conditions, Mr. Lamson stated that the vessel is able to operate in any weather in which any of the Authority's other vessels are capable of operating. However, Mr. Lamson noted that, before the *M/V Woods Hole* was assigned to the Nantucket route, the staff had hoped to receive information from Elliott Bay Design Group about how the vessel can be expected to perform at certain speeds in various wave height conditions. Unfortunately, Mr. Lamson said, the modeling needed to provide that information takes weeks to complete, so the staff was still following up with Elliott Bay to obtain that information.

Mr. Lamson also acknowledged that the vessel does start to squat and vibrate when it operates at higher speeds in shallow water (when there is less than ten feet of water under its keel), but he noted that the Captains know that when the vessel is sailing in certain areas on its route, it cannot go faster than 12 knots, just as the Authority's other vessels cannot go faster than 12 knots in those areas. Mr. Lamson also noted that the *M/V Woods Hole* does not have to go faster than 12 knots in order to maintain its schedule.

Ms. Gladfelter also observed that, even if the *M/V Woods Hole* were able to increase its speed in shallow water, the vessel's fuel consumption would increase substantially, and she noted that the Captains should be able to compensate for this limitation on the vessel's speed in shallow water by planning their route accordingly. Mr. Walker then stated that one of the things the staff discovered about the vessel when it was on the Nantucket route is that, in certain wave conditions, the vessel was taking more water over the bow and had more leaks in the bow door. As a result, Mr. Walker said, all of those areas were sealed to make them watertight to everyone's satisfaction. Ms. Gladfelter noted that the *M/V Woods Hole*'s situation is far better than having a vessel without a bow door, as a recent video that was taken on a Washington State ferry shows.

Then, at approximately 10:17 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the potential acquisition of additional property in Hyannis, Massachusetts;

- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the issuance of a draft waterways license by the Department of Environmental Protection for the Woods Hole terminal reconstruction project; and
- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
February 21, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. February 21, 2017 Meeting Memorandum, dated February 16, 2017.
2. Minutes of the February 2, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of December 2016.
4. Staff Summary #A-603, dated February 10, 2017 – Approval of Pre-Season Promotion for High-Speed Passenger Ticket Books.
5. Staff Summary #A-605, dated February 15, 2017 – Resolution Authorizing the Sale of Steamship Bonds.
6. Staff Summary #A-604, dated February 10, 2017 – Reauthorization of the Steamship Authority's Investment Policy.
7. Staff Summary #E 2017-2, dated February 15, 2017 – On-site Representation Support for the *M/V Martha's Vineyard* Mid-Life Project.
8. Staff Summary #GM-681, dated February 15, 2017 – Authorization to Procure the Services of a Waste Management Transportation Logistics Consultant.
9. Minutes of the Port Council's February 8, 2017 Meeting (draft).
10. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**March 21, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of March, 2017, beginning at 9:30 a.m., in the auditorium of the Woods Hole Research Center, located at 149 Woods Hole Road, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Eric W. Shufelt of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Recognition of Public Officials:

Ms. Tierney recognized Falmouth Town Manager Julian M. Suso and Dukes County Commissioner Leon Brathwaite in the audience and thanked them for attending today's meeting.

Barnstable Port Council Member Eric W. Shufelt:

Mr. Jones introduced Eric W. Shufelt, who recently had been appointed to be the Town of Barnstable's member on the Port Council. Mr. Jones noted that Mr. Shufelt has worked his entire career on the water, and had been the Dock Master in the Barnstable's Harbor Master's office in charge of four marina enterprise accounts.

Woods Hole Research Center:

Ms. Gladfelter observed that the Members were meeting at the Woods Hole Research Center that day, which she noted is one of the top think tanks in the world on climate change issues, and she then introduced its Executive Director, Philip B. Duffy, and Scientist Emeritus Thomas A. Stone.

Mr. Stone welcomed the Members to the Woods Hole Research Center, which he stated had been founded in 1985 as a spinoff of the Marine Biological Laboratory and is primarily an ecological organization on terrestrial ecology with 60 staff members. Dr. Duffy then informed the audience of some of the Research Center's work, which he stated involved developing science-based solutions to climate change. Dr. Duffy observed that the Research Center is a scholar-based organization whose goal is to have an impact on controlling the effects of climate change and that much of the Research Center's international work is in the developing world, such as its efforts to control deforestation, which is one of the important drivers of climate change. In this regard, Dr. Duffy noted that people can use land management techniques, including reforestation, to reduce carbon dioxide from the atmosphere. Dr. Duffy also stated that the Research Center was also working in the arctic on issues relating to permafrost, as the potential release of greenhouse gases from permafrost as it thaws and decomposes will constitute a major contributor to climate change in the future.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on February 21, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for January 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 0.6%), more automobiles (up 2.7%) and more trucks (up 7.4%) during the month than it had carried during the same month in 2016. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$2,806,000, approximately \$2,786,000 lower than what had been projected, with operating revenues and other income \$194,000 higher than projected and operating expenses, fixed charges and other expenses \$2,592,000 lower than projected, primarily due to timing differences with some of the maintenance expenses for the month and the cost of the contract for the *M/ V Katama's* dry-docking coming in lower than expected.

Mr. Lamson also reported that the average cost of the Authority's vessel fuel oil in January 2017 had been \$1.96 per gallon, including the Authority's net hedging cost, compared to the budget projection of \$2.05 per gallon. Mr. Lamson advised the Members that the Authority's hedged fuel prices for the remainder of the calendar year were very close to its budgeted prices and that, as a result, the Authority does not have much financial exposure if fuel prices were to increase unexpectedly.

Ms. Gladfelter noted that the Authority's revenue from terminal operations had been ten percent lower than projected in January 2017, and asked if there was a reason for that deficit. In response, Mr. Davis stated that the revenue primarily consists of reservation cancellation penalties, fees from driver services and redemption fees, which vary from month to month and therefore cannot be predicted with one hundred percent accuracy for any particular month.

Construction of the Authority's New General Offices:

Mr. Lamson reported that G&R Construction, Inc., the contractor for the construction of the Authority's administrative office building in the Palmer Avenue parking lot, had finished the building's foundation and erected its steel framing. Mr. Lamson also noted that the contractor had not experienced any major surprises or setbacks during the excavation for the foundation and the underground utility work, and that, as a result, the construction was proceeding pretty much on schedule. Mr. Lamson also noted that the contract requires the building to be completely finished by January 3, 2018, although he stated that the staff hopes to be able to occupy it before then. Mr. Cloutier then gave a PowerPoint presentation showing the progress of the building's construction.

Temporary Woods Hole Terminal Building:

Mr. Lamson then reported that Triumph Modular, Inc., the contractor for the temporary Woods Hole terminal building, has been a little slow in getting the foundation work completed due to a delay in submitting its stormwater pollution prevention plan (SWPPP) to the Falmouth Conservation Commission, but that, meanwhile, it was building the modular units for the temporary building at its factory in Pennsylvania. In this regard, Mr. Lamson noted that the current schedule calls for the units to be placed on the foundation during the week of April 24th.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority was still waiting for the hearing officer's decision on the Department of Environmental Protection's issuance of a Chapter 91 waterways license for the Woods Hole terminal reconstruction project, which he stated should be issued by the end of the month. Meanwhile, Mr. Lamson said, Bertaux + Iwerks Architects are busy working on the design details for the ferry slips and piers, and how the construction work during the off-season will be split up into the different phases so that the Authority will always have two fully operational slips while the terminal is being reconstructed. Mr. Lamson reported that the preliminary design for the permanent terminal building is also underway, but he noted that the architects have a little more time to develop its design because it will be the subject of a separate construction contract, and its construction will not start until after all three slips have been reconstructed.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that the Authority's in-house programmers and information technology (IT) staff have started to install the Authority's new point-of-sale ticketing system at each of the terminals, and that the staff hopes to have all of the terminals on the new system by the end of that week. Mr. Lamson also reported that SkiData, the firm that is providing the ticket scanners and connectivity to the Authority's ticketing and reservations systems, was also there that week to start installing its equipment at the Hyannis and Nantucket terminals. Mr. Lamson stated that the staff expects that all of that work will be completed by the time the *M/V Iyanough* goes back into service on April 1st.

Mr. Lamson further reported that SkiData will return later to install its equipment at the Woods Hole, Vineyard Haven and Oak Bluffs terminals so that the Authority can start using the scanners on the Martha's Vineyard route at the commencement of the summer schedule in mid-May. Mr. Lamson noted that the new scanners (also called access control readers) will have the ability to read bar codes of passenger tickets that are sold online or at the Authority's terminals (by scanning the printouts of those tickets), as well as passenger tickets that are sold through the Authority's mobile site (by scanning the screen of customers' smart phones), to determine whether they are valid tickets that have not already been used. Mr. Lamson also noted that, after the scanners are being used for scanning passenger tickets, the staff will focus on the Authority's new ID cards that will replace its coupon ticket books for frequent travelers.

In response to a question from Mr. Jones, Mr. Lamson stated that the staff anticipated that customers traveling on the Nantucket route will be able to buy their tickets on their mobile devices within the new few weeks, and that the scanners used on that route will be able to scan both paper tickets and tickets shown on customers' mobile devices. Then, in response to another question from Mr. Hanover, Mr. Rozum stated that the scanners will similarly be able to scan both paper tickets and mobile devices on the Martha's Vineyard route beginning in mid-May and that, ultimately, customers will be able to use reusable cards instead of coupon ticket books. Mr. Rozum further stated, in response to another question from Mr. Hanover, that the Authority's paper tickets also will be reusable, in the sense that they will be able to be scanned twice, once for each segment of a round trip.

Feasibility of a Freight Ferry Service  
between New Bedford and Martha's Vineyard:

Mr. Lamson recounted how, in April 2016, the staff had provided copies of their Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard to public officials of all of the communities that could be affected by such a freight service, and how the Authority also had posted the report on its website for public comment. Ultimately, Mr. Lamson said, only three people submitted comments on the report and none of them seriously disagreed with any of the staff's principal recommendations (except for one person who disagreed with the staff's recommendation that the Authority should not subsidize the cost of the freight service between New Bedford and Martha's Vineyard).

Mr. Lamson then reported that, therefore, the staff's recommendations regarding this potential freight service remains essentially the same as they were presented in the preliminary report, and he reviewed those four recommendations with the Members. Mr. Lamson also noted that, while the report describes a number of potential scenarios for freight service between New Bedford and Martha's Vineyard, the staff does not believe that the Authority should bear the cost of constructing and maintaining a freight ferry terminal in New Bedford that would be necessary to provide the service, or that the Authority otherwise should subsidize the cost of the service. Finally, Mr. Lamson noted that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the staff's recommendations.

But Mr. Jones declared that he has many reservations about any proposed freight service between New Bedford and Martha's Vineyard, observing that the Authority's two-year pilot project in 2000 and 2001 had demonstrated that the service is not economically feasible and that there is no way it financially can be provided without a subsidy. Therefore, Mr. Jones said, he thought the Members have to decide whether they really want to pursue this matter knowing that the only way it will be economically feasible is if it is subsidized by another entity, as he agreed with the staff that the Authority should not subsidize the service in any fashion.

Mr. Jones also observed that such a service would be a huge undertaking and that the Authority would also be losing revenue on its route between Woods Hole and Martha's Vineyard every time a truck uses the New Bedford freight service. Further, Mr. Jones noted that providing the service would take only a few trucks off of Woods Hole Road and he stated that, in light of all of these considerations, he had serious reservations about pursuing it.

Mr. Jones asked Mr. Lamson how he planned to proceed, and suggested that an excellent option to pursue would be the staff's recommendation to entertain a proposal from Packer Marine to provide a tug and barge service for transporting freight vehicles between New Bedford and Martha's Vineyard under a license agreement with the Authority. In response, Mr. Lamson stated that, if the recommendations were adopted by the Members, one of the first steps would be for the staff to discuss this possibility with Ralph Packer, as he has terminals both in New Bedford and on Martha's Vineyard that can accommodate freight trucks on a roll-on/roll-off basis. Mr. Lamson stated that the staff would also engage the services of Craig Johnson, who was in charge of Seabulk/Hvide's operations when it provided freight service between New Bedford and Martha's Vineyard in 2000 and 2001, to investigate the finances and potential operators of such a service to see whether it is feasible for a private operator to provide the service from a facility in New Bedford.

Mr. Lamson also noted that, if a private operator is not able to provide the service without a subsidy, then the next step would be to work with the Cape Cod Commission and other public planning agencies to see if funding can be obtained to construct a facility in New Bedford. But Mr. Lamson emphasized that the staff was not recommending that the Authority make a commitment at this time to provide the service, and he agreed that the reason for the service was to get trucks off of Woods Hole Road and out of Falmouth, which would require taking a route over water between New Bedford and Martha's Vineyard that is about the same distance as the distance between Hyannis and Nantucket. Because of that distance, Mr. Lamson said, the cost of ferry service between New Bedford and Martha's Vineyard would be significantly higher than the cost of ferry service between Woods Hole and Martha's Vineyard, and the difference would need to be made up for somehow.

Mr. Jones then asked whether it would be feasible and prudent simply to look at the staff's first three recommendations and stop there. In this regard, Mr. Jones observed that the Authority would be doing its due diligence if it were to pursue those recommendations and then consider what Mr. Johnson finds out about the possibility of a private operator providing the service.

Ms. Gladfelter observed that the Authority has both short-term and long-term objectives in investigating the feasibility of freight service between New Bedford and Martha's Vineyard, noting that while Woods Hole currently can provide adequate service for the island, the Authority does not know what is going to happen in the future, particularly with increased traffic on Cape Cod and the bridges over the Cape Cod Canal. Ms. Gladfelter also emphasized that the Members would not be making any decisions at this point if they were to adopt the staff's recommendations; rather, they would just be keeping their

options open for the future. Ms. Gladfelter noted that the Authority may have to have alternative or additional service at some point in the future, possibly five years or even 20 years from now, and investigating the feasibility of New Bedford service now would ensure that, at that time, the Authority will not have to start at point zero.

Ms. Gladfelter then stated that she thought the staff had done a good job at providing the Members with an array of options, and that the Members should accept the report and continue to monitor what changes. While Ms. Gladfelter acknowledged that the Authority cannot provide ferry service from New Bedford right now, she stated that this did not mean the Authority should not be thinking about it. Ms. Tierney then suggested that the Members table this matter, observing that it will be an ongoing long-term project. Ms. Tierney also noted that a lot of activity was taking place in New Bedford and that the Authority should continue to monitor it.

Mr. Jones suggested that the Authority do its due diligence by pursuing the staff's first two or three recommendations, observing that any further efforts spent on a New Bedford ferry service would be a waste of the staff's time if the Authority later concludes that it is not feasible. Mr. Balco then reported that the Towns of Tisbury and Oak Bluffs were moving ahead with a separate project to backhaul municipal solid waste from Martha's Vineyard to New Bedford by barge, and that at that point he believed it was a feasible project that can be explored separately.

Ms. Tierney stated that, because this subject was such a dynamic process, she did not believe it was necessary for the Members to vote on any of the staff's recommendations. Mr. Jones then suggested again that the staff pursue its first three recommendations, and Ms. Gladfelter observed that all of the Members agreed that the Authority should do only what it can at this point in time.

#### Revisions to the Authority's Group Tour Bus Reservations Policies:

Mr. Lamson asked the Members to approve the staff's recommendation to revise the Authority's policies with respect to group tour bus reservations. Currently, Mr. Lamson said, the Authority accepts tour bus reservations up to a year in advance on a first-come, first-served basis and does not require any tour bus company to pay a deposit on its reservations. Mr. Lamson also noted that, while tour bus companies without Authority charge accounts are required to pay for their reservations in full 30 days in advance of their travel dates, all tour bus

companies receive a full refund if they cancel their reservations by 6:00 a.m. the day before their scheduled sailings.

Mr. Lamson then stated that, because a majority of tour bus reservation requests for this year already have been processed, the staff was recommending that the Authority make only the following changes for 2017:

- To require tour bus companies without Authority charge accounts to pay for their reservations in full at the time of booking, and to require tour bus companies who do have Authority charge accounts to pay for their reservations in full 30 days prior to their travel dates.
- To allow tour bus companies to receive full refunds for their reservations only if they cancel the reservations at least 14 days prior to their departure dates. Mr. Lamson noted that, as a result, no refunds would then be issued for reservations that are not cancelled at least 14 days prior to departure, although tour bus companies, like all of the Authority's other customers with automobile or truck reservations, will continue to be able to change their reservations with at least one hour advance notice.

Mr. Lamson asked that the Members also approve additional revisions to the Authority's tour bus reservation policies for reservations beginning in 2018:

- To process all requests for tour bus reservations received by December 1, 2017 by lottery so that each tour bus company receives one reservation before any other tour bus company receives a second reservation on any given day.
- To require tour bus companies who have Authority charge accounts to pay a 10% deposit at the time of booking. (Tour bus companies without Authority charge accounts would continue to be required to pay for their reservations in full at the time of booking.)
- To continue to require tour bus companies who have Authority charge accounts to pay for their reservations in full 30 days prior to their travel dates.
- To continue with the same reservation cancellation policy, namely, that tour bus companies must cancel their reservations at least 14 days prior to their departure dates in order to receive a refund.

Finally, Mr. Lamson reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the staff's proposed revisions to the Authority's group tour bus reservation policies.

In response to a question from Mr. Hanover, Mr. Lamson stated that the staff was proposing to allow all group tour bus companies to participate in the lottery and not to provide any preference for the Authority's regular customers. Then, after Mr. Hanover stated that tour bus companies should not be allowed to change their reservations with only one hour's notice, Mr. Lamson clarified that tour bus companies that change their reservations on such short notice would not be entitled to any refund if they later did not use their reservations; rather, they would only be allowed to change their reservations to another time in the same way that all of the Authority's other customers are able to change their reservations with only one hour's notice. Mr. Lamson also noted that he did not expect tour bus companies to try to change their reservations on such short notice, as they probably would not be able to obtain other suitable reservations at that time, and that he instead expected tour bus companies to cancel their reservations with at least 14 days' notice in order to receive a refund.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to revise the Authority's group tour bus reservation policies as recommended by management in Staff Summary #M-2017-1, dated March 16, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Discontinuation of the Authority's Online Merchandise Store:

Mr. Lamson asked the Members for approval to discontinue the Authority's online merchandise store and to use the remaining inventory for promotional events. Mr. Lamson observed that, while some organizations sell merchandise for branding purposes even though they lose money, the staff did not think there are a lot of people who want to wear Authority shirts or sweatshirts and, in any event, it was not worth it to keep all of the different sizes and colors of such merchandise in stock that are necessary to support a successful merchandise program. Mr. Lamson also reported that, at their meeting earlier this month,

the Port Council had voted to recommend that the Members approve the staff's request.

Mr. Jones recounted how the online merchandise store sounded like such a great idea when it was presented to the Port Council several years ago, and he stated that he still believes it is a good idea, although he questioned whether the high-end product mix was the right one for the Authority. Mr. Jones noted that the Authority easily should be able to sell hats, but not if people have to go online to buy them. Rather, Mr. Jones said, the merchandise should be sold at the Authority's terminals and on its boats so that customers can buy sweatshirts and ponchos on rainy days. In this regard, Mr. Jones observed that, in 2015, the John F. Kennedy Memorial sold \$45,000 worth of hats, and it has nowhere near the Authority's potential customer base of 3,000,000 passengers per year. Mr. Jones also emphasized that the Authority has to eliminate the middle man from the program, noting that the Authority's margins will increase dramatically if it buys its merchandise directly. Ultimately, Mr. Jones said, he thought there was a possibility of making money by selling merchandise and he did not want the Authority to stop doing so.

After Mr. Jones stated that he would like to look into this matter further, Ms. Tierney suggested that he chair a committee to work with the staff to explore alternatives. Mr. Hanover also suggested that the Authority talk to Centerplate about selling Authority merchandise on the vessels, saying that he agreed with Mr. Jones that selling merchandise at the terminals and on the boats was worth pursuing.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to discontinue the Authority's online merchandise program and to consider new merchandising initiatives that may be developed under the leadership of Barnstable Member Robert R. Jones.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Operating Results for the Year Ended December 31, 2016:

Mr. Davis reported that, for the past few weeks, the Authority's auditors, RSM US LLP, have been at the Authority's offices reviewing its activity for 2016 and, while the auditors' report was not yet completed, he would like to inform the Members of the preliminary unaudited results, including the following:

- The Authority's net operating income (which excludes capital grants and income from special-purpose funds) for 2016 was expected to be \$9,955,422, or \$1,347,000 lower than 2015's net operating income but \$3,544,000 higher than what had been projected in the 2016 Operating Budget.
- The Authority's operating revenues had totaled \$103,896,139 in 2016, or \$3,840,000 higher than 2015's operating revenues. Passenger revenue had increased by \$946,000, automobile revenue by \$814,000, freight revenue by \$1,263,000, and parking revenue by \$458,000.
- The Authority's operating expenses had increased to \$93,751,455 in 2016, or \$5,438,000 higher than 2015's operating expenses. Maintenance expenses had increased by \$1,829,000, depreciation expense by \$528,000, vessel operating expenses by \$121,000 (with fuel oil expense decreasing by \$651,000 and payroll expense increasing by \$684,000), terminal and parking operations expenses by \$360,000, reservations and customer service expenses increasing by \$306,000, and other general expenses increasing by \$1,831,000 (primarily attributable to a \$817,000 increase in the Authority's pension obligations and a \$534,000 increase in the Authority's health care costs).
- The Authority's other income had increased by \$410,000 (with license fee income increasing by \$301,000), and the Authority's fixed charges had increased by \$159,000.

As a result, Mr. Davis said, the Authority realized a \$10,400,299 change in net position in 2016, which includes \$205,000 from capital grants and contributions and \$240,000 of income from its special-purpose funds.

After Mr. Davis reported that the Authority's auditors expected to be able to wrap up their audit within the next week or so and to issue their report by the end of the month, Mr. Hanover commended the staff and all of the Authority's employees for an extraordinary year.

The Sale of \$12,685,000 of Steamship Bonds:

Mr. Davis reported that, the previous Thursday, the Authority had sold \$12,685,000 of Steamship Bonds to Fidelity Capital Markets of Boston, Massachusetts, who had been the lowest of eight bidders for the bonds and had offered to purchase all of the bonds at a true interest cost of 2.106513%. Mr. Davis noted that the principal amount of the bonds matures in the years 2018 through 2027, and he described how, because Fidelity had included over \$1,732,000 in bond premium in its bid, the total amount of the bonds to be issued had been “resized” from \$12,685,000 to \$11,060,000. As a result, Mr. Davis said, the true interest cost of the bonds became 2.1242722%. Mr. Davis also noted that Moody’s Investor Service had assigned a rating of Aa1 and a stable outlook to the Steamship Bonds based upon the Commonwealth of Massachusetts’ current general obligation rating.

M/V Gay Head Dry-dock and Overhaul Services Contract:

Mr. Lamson asked the Members to award Contract #01-2017 for dry-dock and overhaul services for the *M/V Gay Head* to Senesco Marine, LLC of North Kingstown, Rhode Island, for a total contract price of \$809,979. Mr. Lamson noted that the Authority had received two bids for the contract and that Senesco had been the lowest eligible and responsible bidder.

**IT WAS VOTED -- upon Mr. Hanover’s motion, seconded by Ms. Gladfelter -- to award Contract #01-217 for dry-dock and overhaul services for the *M/V Gay Head* to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$809,979, as recommended by management in Staff Summary #E 2017-03, dated March 17, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Purchase of Data Storage Devices:

Mr. Lamson then asked the Members for authorization to purchase six data storage devices that will ultimately be located in the Authority's new administrative offices. Mr. Lamson stated that the devices would be purchased from IntraSystems, Inc. of Braintree, Massachusetts, for \$189,067 pursuant to a state vendor contract, and that the devices have to be purchased before the Authority moves to its new offices because the existing storage devices, which are near the end of their normal lifecycle, cannot be moved while they are in use.

Mr. Jones observed that the devices obviously are needed, but he asked why they had not been included in the budget. In response, Mr. Lamson stated that there had been a miscommunication about when the devices were going to be needed after they had been included in the original budget request, which resulted in removing them from the list of MIS equipment that is going to be installed in the new office building.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase six Data Storage Devices from IntraSystems, Inc. of Braintree, Massachusetts for \$189,067 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS01-17, dated March 17, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had:

- reviewed the Authority's preliminary unaudited results for 2016;
- discussed all of the Authority's various projects, including the *M/V Woods Hole* and the status of the remaining items on its punch list;
- discussed the staff's recommendations regarding investigating the feasibility of a freight ferry service between New Bedford and Martha's Vineyard;
- discussed the efforts being made to determine the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford; and
- recommended, with a split vote, that the Authority discontinue its online merchandise program.

Mr. Jones then asked if Mr. Balco would assist him and the staff in their efforts to develop another merchandise marketing program for the Authority, and Mr. Balco stated that he would.

Potential Conflict of Interest Disclosure by Robert B. Davis:

Mr. Sayers noted that Mr. Davis had provided the Members with a written disclosure informing them that his daughter is the volunteer Treasurer of the Yarmouth Chamber of Commerce, which is one of the local chambers of commerce with whom the Authority has marketing partnerships, and noting that her position with the Yarmouth Chamber may affect his participation as the Authority's next General Manager in those partnerships and other matters involving the Yarmouth Chamber. Mr. Sayers stated that, although the State Conflict of Interest Law allows Mr. Davis to participate in all of those matters, because he has disclosed the potential conflict to the Members, he was recommending that the Members formally determine that the relationship of Mr. Davis' daughter with the Yarmouth Chamber is not likely to affect the integrity of the services which the Authority may expect from Mr. Davis with respect to any of the Authority's matters involving the Yarmouth Chamber and, accordingly, to expressly authorize Mr. Davis to participate in all such matters.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to**

- **accept the memorandum from Treasurer/Comptroller Robert B. Davis to the Members, dated March 6, 2017, as his written disclosure under G.L. c. 268A, § 23(b)(3);**
- **determine that the relationship of Mr. Davis' daughter with the Yarmouth Chamber of Commerce (in which she is serving as its Treasurer) is not likely to affect the integrity of the services which the Authority may expect from Mr. Davis with respect to any of its matters involving the Yarmouth Chamber; and**
- **authorize Mr. Davis to participate in all such matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Appointment of the Authority's Next Treasurer/Comptroller:

Mr. Lamson recounted how he, together with Messrs. Davis and Parent, had gone through a screening and interview process over the past several months to find the most qualified person they could recommend for appointment by the Members to be the Authority's next Treasurer/Comptroller, and that Terry Cote had emerged as the one finalist with the unique combination of the required experience and knowledge of both government accounting standards and the Authority's finances. Mr. Lamson noted that Ms. Cote is a Certified Public Accountant and has more than 30 years of experience working with or for government, health care and not-for-profit organizations, including more than 13 years of audit experience at Deloitte & Touche. Mr. Lamson also noted that, during her time with Deloitte & Touche, Ms. Cote was a Senior Audit Manager for numerous clients, including the Commonwealth of Massachusetts, the Port Authority of New York and New Jersey, several Massachusetts municipalities,

and the Authority. For the last several years, Mr. Lamson said, Ms. Cote also has been the Chief Financial Officer for Outer Cape Health Services, Inc.

After noting that Ms. Cote was the staff's unanimous recommendation for the position, Mr. Lamson asked the Members to appoint her to be the Authority's next Treasurer/Comptroller, subject to contract negotiations. Mr. Lamson stated that the negotiations will hopefully include an agreed-upon interim period, beginning around May 1st, so that Ms. Cote can work alongside Mr. Davis before he assumes his new duties as the Authority's next General Manager.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to appoint Terry Cote as the Authority's next Treasurer/Comptroller effective July 1, 2017, subject to contract negotiations, as recommended by management in Staff Summary #A-607, dated March 16, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>      </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Revisions to the Authority's 2017 Meeting Schedule:

Mr. Lamson then asked the Members to approve changing the order of the locations for the Authority's next three monthly meetings so that the Authority's April meeting will take place in Hyannis, the Authority's May meeting in New Bedford and the Authority's June meeting on Nantucket. Mr. Lamson stated that, ordinarily, the Authority's April meeting would take place in New Bedford, but that the New Bedford Whaling Museum was not available as the site of the meeting on April 18th due to fact that that day falls within school vacation week.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to revise the Authority's 2017 meeting schedule as set forth in a proposed revised 2017 meeting schedule, dated March 15, 2017.**

<b><u>VOTING</u></b>	<b><u>AYE</u></b>	<b><u>NAY</u></b>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Public Comment:

Mr. Brathwaite stated that he was totally confused about the Authority's new electronic ticketing system and that he hoped the Authority will have a communications plan to explain it to its customers, especially to senior citizens. Mr. Brathwaite also asked that the Authority initiate the communication plan immediately and not wait until the new ticketing system is operational.

Mr. Brathwaite stated that he was also confused about what reservation cancellation penalties the Authority will impose on tour bus companies, and he observed that, because a company has no incentive to promptly cancel its reservation after it is already within 14 days of its departure date, it will wait until the very end to do so. Mr. Brathwaite suggested that the Authority consider refunding a portion of a tour bus company's fare if it cancels sooner than just one hour before the time of its reservation.

Then, at approximately 11:03 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the issuance of a draft waterways license by the Department of Environmental Protection for the Woods Hole terminal reconstruction project;

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis; and
- the potential acquisition of additional property on Nantucket, Massachusetts;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b><u>10 %</u></b>	<b><u>          </u></b>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the**  
**March 21, 2017 Meeting in Public Session of the**  
**Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 21, 2017 Meeting Memorandum, dated March 16, 2017.
2. Minutes of the February 21, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of January 2017.
4. Responses to the Public Comments Received Regarding the Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard, dated March 2, 2017.
5. Staff Summary #M-2017-1, dated March 16, 2017 – Proposed Group Tour Bus Reservation Policy Change.
6. Staff Summary #M-2017-2, dated March 16, 2017 – Proposed Discontinuation of the Authority's On-line Merchandise Program.
7. Memorandum to the Authority Members and Port Council Members from Treasurer/Comptroller Robert B. Davis regarding Operating Results for the Year ended December 31, 2016 (unaudited), dated February 27, 2017.
8. Staff Summary #A-606, dated March 16, 2017 – Bid Results on the sale of \$12,685,000 of Steamship Bonds.
9. Staff Summary #E 2017-03, dated March 17, 2017 – Contract #01-2017, "Dry-dock and Overhaul Services for the *M/V Gay Head*."
10. Staff Summary #MIS01-17, dated March 17, 2017 – Request for Authorization to Purchase Data Storage Devices.
11. Minutes of the Port Council's March 8, 2017 Meeting (draft).
12. Memorandum to the Authority Members from Treasurer/Comptroller Robert B. Davis regarding his written disclosure of a potential conflict of interest with the Yarmouth Chamber of Commerce, Inc., dated March 6, 2017.
13. Staff Summary #A-607, dated March 16, 2017 – Staff's Recommendation for the appointment of the Authority's Next Treasurer/Comptroller.
14. Proposed Changes to the 2017 Authority Meeting Schedule, dated March 15, 2017.
15. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
April 18, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of April, 2017, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh (who arrived during Mr. Lamson's report on the results of the Authority's operations for February 2017); Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on March 21, 2017.**

<b><u>VOTING</u></b>	<b><u>AYE</u></b>	<b><u>NAY</u></b>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for February 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 0.6%), fewer automobiles (down 4.0%) and fewer trucks (down 3.1%) during the month than it had carried during the same month in 2016, and noted that the lower traffic levels may have been attributable, at least in part, to the fact that the month of February had one more day in 2016 due to it having been a leap year. Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$3,194,000, approximately \$179,000 higher than what had been projected, with operating revenues and other income \$19,000 higher than projected and operating expenses, fixed charges and other expenses \$198,000 higher than projected.

Mr. Lamson further reported that, for the first two months of 2017, the total number of passengers carried by the Authority was essentially the same as the number carried during the first two months of 2016, while the Authority had carried fewer automobiles (down 0.6%) and more trucks (up 2.2%). Mr. Lamson noted that, during this same period, the Authority's total operating loss had been around \$6,000,000, approximately \$2,607,000 lower than the amount projected in the 2017 Operating Budget, with operating revenues and other income \$213,000 higher than projected and operating expenses, fixed charges and other expenses \$2,394,000 lower than anticipated due to a change in the scope of work for the *M/V Katama* dry-dock contract as well as lower actual expenses incurred during the *M/V Island Home*, *M/V Katama* and *M/V Eagle* repair periods. In response to a question from Ms. Tierney, Mr. Davis stated that the Authority's miscellaneous income primarily consisted of license fees.

Construction of the Authority's New General Offices:

Mr. Cloutier gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot. During the presentation, Mr. Cloutier noted that the contractor had poured the concrete floors for both the basement and the first floor of the building in one day, and he stated that, while there had been a one-week delay to ensure that there is sufficient room between the building's Energy Recovery Unit (ERU), which is situated in the basement, and the first floor beams after the concrete was poured, he was confident that the time will be made up over the course of the next several months so that the building will be completely finished by January 3, 2018.

Temporary Woods Hole Terminal Building:

Mr. Cloutier then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. During that presentation, Mr. Cloutier noted that the contractor now has the foundation ready for the installation of the five modular units that will comprise the temporary building, and that the units were scheduled to be delivered that week for installation the following week. Mr. Cloutier also reported that the contractor expects all of its remaining construction work to be finished by mid-June. Accordingly, Mr. Cloutier said, the Authority will then have the rest of the year to finish the interior and install all of its computer equipment and furnishings.

In response to a question from Mr. Jones, Mr. Cloutier stated that, after the Authority no longer needs the temporary terminal building, it will be an option for someone to disassemble and reinstall the modular units for use at another location, but he doubted it will be practical due to the specialized nature of the units and the cost that would be involved. Nevertheless, Mr. Cloutier stated that people will be welcome to take the units at that time, provided that they remove them on schedule.

In response to a question from Ms. Gladfelter, Mr. Cloutier stated that the modules will not be delivered with the navigation charts that are going to cover their sides. However, Mr. Cloutier stated that the artist will start to install the charts in a few weeks so that they are completed by June 8th.

Woods Hole Terminal Reconstruction Project:

Mr. Cloutier then reported that, the prior Thursday, the Commissioner of the Massachusetts Department of Environmental Protection (DEP) adopted the hearing officer's recommended decision in the administrative appeal proceedings initiated by a group of 13 Falmouth residents of DEP's decision to issue the Authority a draft Chapter 91 waterways license for the Woods Hole terminal reconstruction project. Accordingly, Mr. Cloutier stated that he expected that the license will be issued soon so that the Authority can begin work in the waterside area of the terminal. Meanwhile, Mr. Cloutier said, Bertaux + Iwerks Architects continue to work on the design details for the ferry slips and piers, and he expects the invitation for bids for the waterside work to be issued in September so that the marine contract can be awarded at the Authority's November meeting. In addition, Mr. Cloutier reported that the schematic design drawings for Phases 5 and 6 of the project (terminal building and site work) were moving ahead quite well and should be completed by the end of May 2017.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson then reported that, last month, the Authority rolled out its point-of-sale ticketing system upgrade, which includes replacing a DOS-based system with a Windows-based system, and that it has been well received by the Authority's ticket sellers. Mr. Lamson noted that the new system allows the Authority to scan and keep track of individual tickets and tell when they are used. Mr. Lamson further reported that, last month, SkiData also installed the new ticket scanning stations at the Hyannis and Nantucket terminals, that the Authority began using them when the *M/V Iyanough* resumed service on April 1st, and that the scanners are also being used to scan tickets for the traditional ferries at the Hyannis and Nantucket terminals. Mr. Lamson stated that SkiData will return during the week of May 8th to install the scanners at the Woods Hole, Vineyard Haven and Oak Bluffs terminals so that they can also be used on the Martha's Vineyard route in time for the summer season.

Mr. Rozum also reported that the staff was continuing to tweak the new scanning operations to address certain problems that have been encountered, and will be installing signs asking customers with certain smart phones or under certain conditions to go into the ticket office and have their tickets printed. But even with these problems, Mr. Rozum said, the Authority has been receiving positive feedback about the new scanners, and he noted that the scanners can process passengers more quickly than the time it takes for an employee to take paper tickets from passengers and give them back their ticket stubs. Mr. Rozum

stated that, with the scanners, there eventually will be no need for ticket stubs and the Authority will be able to improve the boarding process for its passengers. For example, Mr. Rozum said, when it is raining, the Authority will be able to scan passenger tickets under shelters.

Barging Municipal Solid Waste from Martha's Vineyard:

Mr. Davis then provided an update on the Authority's progress exploring the possibility of barging municipal solid waste (MSW) from Martha's Vineyard to New Bedford. Specifically, Mr. Davis reported that the Authority has hired Tetra Tech to assist it in reviewing several different transportation options for shipping MSW off-island, and that this past week the Tetra Tech consultants visited both the Oak Bluffs Transfer Station and Packer Marine's Vineyard Haven facilities to review their operations and explore what everyone's roles would be if MSW were to be barged from Vineyard Haven instead of being transported by truck on the Authority's ferries. Mr. Davis stated that both meetings were productive, but cautioned that the Authority is only in the discovery phase of this process, which is expected to take another three months

Feasibility of a Freight Ferry Service  
between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that, the previous week, the Authority hired Craig Johnson of Flagship Management to further explore the possibility of a freight ferry service between New Bedford and Martha's Vineyard that would be operated by a private carrier. Mr. Lamson noted that, although Mr. Johnson is now with Flagship, in 2000 and 2001 he was with Seabulk/Hvide and was in charge of their operation in New Bedford that provided freight service to Martha's Vineyard pursuant to the request for proposals the Authority had issued at that time. Therefore, Mr. Lamson observed, Mr. Johnson already knows a lot about the logistics of this operation.

Mr. Lamson also reported that, before Mr. Johnson contacts any private carriers to see what interest they might have in providing such a service, he will review the existing facilities in New Bedford to see what infrastructure currently exists there to support the service and what options might be available. Finally, Mr. Lamson stated that the Authority is only beginning the discovery phase of this process, which is similarly expected to take another three months.

Hy-Line's Request to Provide High-Speed  
Passenger Service between Hyannis and Edgartown  
during the 2017 "Christmas in Edgartown" Weekend:

Mr. Lamson reported that the staff was recommending that the Members approve a request from Hyannis Harbor Tours, Inc. ("Hy-Line") for permission to operate a high-speed ferry service between Hyannis and Edgartown for the 2017 "Christmas in Edgartown" event, which will be taking place during the second weekend in December. Mr. Lamson noted that Hy-Line had been approached by the Edgartown Board of Trade about providing the service, and that Hy-Line was proposing to operate two round trips on Friday, December 8th, and three round trips on Saturday and Sunday, December 9th and 10th. Mr. Lamson also noted that Hy-Line will be providing the service as additional licensed trips between Hyannis and Martha's Vineyard under its existing license agreement, and that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members approve Hy-Line's request.

**IT WAS VOTED -- upon Mr. Jones' motion, seconded by Ms. Gladfelter -- to approve Hyannis Harbor Tours, Inc.'s request to provide high-speed passenger service between Hyannis and Edgartown during the weekend of December 8 through 10, 2017, on the terms and conditions recommended by management in Staff Summary #GM-683, dated April 12, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Changes in the List of Authorized Check Signers:

Mr. Davis then asked the Members to adopt resolutions updating the list of signers on the Authority's bank accounts due to the retirement of Kathleen Walters as the Authority's Assistant Treasurer earlier this year and subsequent promotions within the Authority's Accounting Department. Mr. Davis noted

that, as a result of these staff changes, Janet Pratt, who was recently promoted to the Authority's Accounting Manager position, would be added to the list along with Courtney Oliveira (the Authority's Assistant Treasurer), Mark Anderson (one of the Authority's Auditors) and Mr. Davis. Mr. Davis also noted that, after Terry Cote assumes the Authority's Treasurer/Comptroller position, she will be added to the list as well.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to adopt the resolutions attached to Staff Summary #A-608, dated April 12, 2017, to update the list of authorized signers on the Authority's bank accounts, as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Amano McGann Parking Access and Revenue Control System:

Mr. Lamson asked the Members to award Contract #02-2017 for the supply and installation of a new parking access and revenue control system for the Authority's Thomas B. Landers Road parking lot in Falmouth, and for all of the Authority's Hyannis parking lots, to the lowest eligible and responsible bidder for the contract, Amano McGann of Charlestown, Massachusetts, in the amount of \$279,998.36. Mr. Lamson noted that, although this contract was put out for bid, Amana McGann was the only bidder for the contract because this additional system has to be compatible and fully integrated with the Authority's existing Amano McGann parking system.

In response to a question from Mr. Hanover, Mr. Rozum stated that the new equipment will replace the existing equipment in all of the Authority's Hyannis parking lots (except for the parking lot at Mary Dunn Road), as well as the existing equipment at the Authority's Thomas B. Landers Road parking lot. Mr. Rozum noted that, when the Thomas B. Landers parking lot was opened, the Authority installed new equipment at its Palmer Avenue parking lot and used

that parking lot's old equipment at the Thomas B. Landers Road parking lot because it is operated only on a seasonal basis.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to award Contract #02-2017 for the supply and installation of a new parking access and revenue control system for the Authority's Thomas B. Landers Road parking lot in Falmouth, and for all of the Authority's Hyannis parking lots, to the lowest eligible and responsible bidder for the contract, Amano McGann of Charlestown, Massachusetts, in the amount of \$279,998.36, as recommended by management in Staff Summary #TPF-2017-3, dated April 12, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Purchase of Networking Equipment:

Mr. Lamson then asked the Members for authorization to purchase networking equipment for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$589,989 pursuant to a state vendor contract. The equipment includes a network core router, associated switching equipment and components necessary to build and maintain the backbone and hub for the Authority's computer network.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase networking equipment for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$589,989 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS3-17, dated April 13, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Purchase of 13 Servers:

Mr. Lamson then asked the Members for authorization to purchase 13 servers for the Authority's new administrative offices, again from IntraSystems, Inc. of Braintree, Massachusetts, for \$145,093 pursuant to a state vendor contract. Mr. Lamson noted that the servers will support the Authority's network administration, including boarding and check-in processes, print functions, user and email services, and credit card processing. In response to a question from Ms. Gladfelter, who asked why the \$145,093 contract amount was substantially less than the \$685,000 estimate for new servers that was included in the budget, Ms. Claffey stated that the budget includes additional servers the Authority will be purchasing as the project progresses later this year.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase 13 servers for the Authority's new administrative offices, from IntraSystems, Inc. of Braintree, Massachusetts, for \$145,093 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS2-17, dated April 13, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Recognition of Public Officials:

Ms. Tierney recognized Dukes County Commissioner Leon Brathwaite in the audience and thanked him for attending today's meeting.

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had, among other things:

- reviewed the progress of the construction of the Authority's new administrative office building;
- discussed the implementation of the Authority's point-of-sale ticketing upgrade at the Hyannis and Nantucket terminals, and its scheduled implementation at the Woods Hole, Vineyard Haven and Oak Bluffs terminals in time for the summer schedule;
- received a very detailed and helpful update on the status of the *M/V Woods Hole*, including the remaining items on its punch list;
- recommended that the Authority grant Hy-Line's request to provide high-speed passenger service between Hyannis and Edgartown during the 2017 "Christmas in Edgartown" weekend; and
- recommended that the Authority enter into a new lease with the Town of Oak Bluffs for the waterside portion of Sea View Avenue.

Mr. Balco also reported that Port Council Vice Chairman Nathaniel E. Lowell of Nantucket had asked management to explore the possibility of allowing the Authority's freight shippers to pay for their bulk freight reservations by credit card.

M/V Woods Hole:

Mr. Walker reported that the United States Coast Guard has approved an increase in the capacity of the *M/V Woods Hole* from 384 persons (376 passengers and 8 crewmembers) to 453 persons (445 passengers and 8 crewmembers), although he noted that the Coast Guard's local Officer in Charge, Marine Inspection (OCMI) still has to issue a revised Certificate of Inspection (COI) for the vessel. Mr. Walker stated that, when the vessel goes into repair at the end of May to finish some punch list items, an additional raft that is required for the

increased capacity will be installed on the vessel so that it will be able to carry more passengers during the summer, when it will be operating on the Nantucket route. Mr. Sayers further noted that, with the ability to carry 445 passengers, the *M/V Woods Hole* should be able to handle the same number of passengers on that route that previously have been carried by the *M/V Nantucket*.

In addition, Mr. Walker reported that the number of open items on the vessel's punch list has been whittled down from 150 to around a dozen, and that the remaining items will be addressed when the vessel goes into repair at the end of May. Mr. Walker noted that one of the remaining items is the vessel's HVAC system and that, while the HVAC contractor has modified the system and added equipment to address the humidity issues, the Authority still has to wait for warm weather to see whether it is working as required. Mr. Walker also reported that the automatic doors had been worked on in December 2016 and were now working better, although he cautioned that vessel doors are always a problem, especially those to the outside passenger decks when it is windy. With respect to all of these punch list items, Mr. Walker said, the Authority has received great responses from Conrad Shipyard and its subcontractors, and everything that needed to be corrected had been added to the punch list and tracked.

Release to the Public of Portions of Executive Session Minutes:

After recounting how the Members had delegated to him, as the Authority's General Manager, their responsibility to approve appropriate portions of the minutes of the Members' meetings in executive session for release to the public when the publication of such portions will no longer defeat the lawful purposes of the executive session, Mr. Lamson stated that he had determined that all portions of the minutes of the Authority's meetings in executive session through December 31, 2016 should be released to the public except for those portions of the minutes reflecting the Board's discussions and actions regarding ongoing matters that are still appropriately the subject of executive session. As a result, Mr. Lamson said, the additional portions of the minutes of the Authority's meetings in executive session through December 31, 2016 that were being released to the public, subject to the above limitations, included those pertaining to:

- (a) The renewal of the Authority's lease with the Martha's Vineyard Airport Commission for space for the Authority's reservation office at the Martha's Vineyard Airport;

- (b) The Authority's potential litigation with Lawrence-Lynch Corp. and Green Seal Environmental, Inc., as well as Geosyntec Consultants, with respect to whom should bear the cost of the preferred option to correct the stormwater runoff problems the Authority is having at its Thomas B. Landers Road parking lot;
- (c) The Authority's negotiations for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers;
- (d) The Authority's contract negotiations with General Manager Wayne C. Lamson;
- (e) The Authority's potential litigation against Conrad Shipyard for liquidated damages due to the delayed delivery of the *M/V Woods Hole*;
- (f) The Authority's potential disposition of property located at 220 Palmer Avenue in Falmouth; and
- (g) The Authority's contract negotiations with Treasurer/Comptroller Robert B. Davis with respect to the terms and conditions of his employment as the Authority's next General Manager.

Review of the Authority's Non-Union  
Wage and Salary Management System:

Mr. Lamson then reported that the staff had engaged the services of an independent consultant to look at the Authority's non-union wage and salary management system to determine whether the Authority's salaries are in line with the salaries for comparable positions in other organizations, but that the staff was still waiting for the consultant's report. Accordingly, Mr. Lamson said, the Members could establish a committee to discuss this subject at a later time or they could discuss it themselves at a future meeting.

Mr. Hanover stated that he had asked that this matter be placed on the agenda for today's meeting because, based upon what he had learned during the search for the Authority's next Treasurer/Comptroller, he was concerned that the Authority's salaries for its non-union employees were lower than what they should be, and he asked that the Members establish a committee to look into this matter. Ms. Tierney then asked Mr. Hanover whether he was willing to serve on and chair the committee, which he said he was and that he also would like

Mr. Balco to serve on the committee. Ms. Gladfelter also stated that she was willing to serve on the committee.

Mr. Sayers then cautioned that, while it was his opinion that committees of the Authority are not subject to the open meeting law as long as their members do not comprise a quorum of the Authority, he had provided his opinion and the reasons for it to the Massachusetts Attorney General's Division of Open Government and was still waiting for a reply. Mr. Sayers noted that if the Attorney General's office has a different opinion, all of the committee's meetings will need to be noticed and conducted in public. Therefore, Mr. Sayers stated that, if the committee wants to meet and discuss this subject before the Authority receives a response from Attorney General's office, his advice was that, as a matter of caution, the committee's meetings should be noticed in accordance with the open meeting law and should take place in open session. Mr. Sayers also observed that committees of cities, towns, counties and the executive branch are subject to the open meeting law, but that historically committees of state authorities have not been subject to the law and, in his opinion, are still not subject to the law.

After Mr. Sayers noted that Mr. Jones has long disagreed with his opinion, Mr. Jones complimented Mr. Sayers on his letter to the Attorney General's office and said that it did everything but convince him. Mr. Sayers then stated that, even if the Authority's committees are not subject to the open meeting law, the Members may still want to consider whether, as a matter of public policy, this committee's meetings should be conducted in public, observing that this would allow the public to weigh in on what the committee is discussing before any decisions are made, thereby providing an opportunity for the Authority to receive the public's reaction during the decision-making process rather than receiving a potentially negative reaction afterwards.

Public Comment:

At Ms. Tierney's request, Hy-Line Vice President R. Murray Scudder, Jr. introduced his son, Richard Murray Scudder, III, whom he observed was the more important "Murray" at Hy-Line these days and will also be seen more and more as the years go on.

Employment Agreement with Terry Cote Vizard:

**IT WAS VOTED -- upon Mr. Jones' motion, seconded by Mr. Hanover -- to authorize the Chairman to execute an Employment Agreement with Terry Cote Vizard, as recommended by management, in substantially the form attached to Staff Summary #A-609, dated April 12, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Public Comment:

Mr. Jones noted that this was Mr. Lamson's last meeting in Barnstable as the Authority's General Manager, and he thanked Mr. Lamson on behalf of the Town for the excellent relationship that Mr. Lamson has built between the Authority and the Barnstable community throughout the years. Mr. Lamson thanked Mr. Jones, and stated that the Town similarly had been very supportive of the Authority over the years and was just as responsible for their excellent relationship.

Then, at approximately 10:35 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- the notice of claim by thirteen Falmouth residents requesting an adjudicatory hearing on the draft Waterways License issued by the Department of Environmental Protection for the Woods Hole terminal reconstruction project;

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;
- the potential acquisition of property on Nantucket;
- the proposed renewal of the Authority's lease with the Town of Oak Bluffs for the waterside portion of Sea View Avenue; and
- the proposed renewal of the Authority's lease for 1251 Route 28A, Cataumet; and

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated and pending litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the**  
**April 18, 2017 Meeting in Public Session of the**  
**Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 18, 2017 Meeting Memorandum, dated April 13, 2017.
2. Minutes of the March 21, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of February 2017.
4. Administrative Office PowerPoint Presentation.
5. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated April 18, 2017.
6. Staff Summary #GM-683, dated April 12, 2017 – Hy-Line's Request to Provide Service Between Hyannis and Martha's Vineyard during the Period December 8-10, 2017 (Christmas in Edgartown).
7. Staff Summary #A-608, dated April 12, 2017 – Approval of Changes in List of Authorized Check Signers.
8. Staff Summary #TPF-2017-3, dated April 12, 2017 – "Supply, Deliver and Install Amano McGann Parking Access and Revenue Control System" Contract #02-2017.
9. Staff Summary #MIS3-17, dated April 13, 2017 – Request for Authorization to Purchase Networking Equipment for the New Admin Offices.
10. Minutes of the Port Council's April 5, 2017 Meeting (draft).
11. M/V Woods Hole – C-1121 – Delivery Punch List – Updated 3/31/2017.
12. Staff Summary #GM-682, dated April 11, 2017 – Release to the Public of Portions of Executive Session Minutes.
13. Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Non-Union Employees Grade and Salary Ranges – Effective July 1, 2016.
14. Letter from Steven M. Sayers to Jonathan Sclarsic, Director of the Division of Open Government of the Office of the Attorney General, dated March 30, 2017, regarding the Open Meeting Law's Definition of "Public Body."
15. Staff Summary #A-609, dated April 12, 2017 – Employment Agreement with Terry Cote Vizard.
16. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
May 10, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 10th day of May, 2017, beginning at 3:19 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Gerard J. Murphy was also present.

Election of the Authority's Next Treasurer:

Mr. Lamson reported that the staff was recommending that the Members elect Gerard J. Murphy to serve as the Authority's next Treasurer, beginning on July 1, 2017 when Mr. Davis, the Authority's current Treasurer/Comptroller, assumes the position of General Manager. Mr. Lamson stated that, for the past two years, Mr. Murphy has served as the State of New Hampshire's State Comptroller and that, prior to having ultimate responsibility for directing the State's accounting functions, Mr. Murphy had served in several other positions in the State of New Hampshire government since 2006, including being a Financial Analyst for the State's Department of Transportation, Budget Officer for the State Legislature, the Governor's Budget Director, and then the State's Financial Reporting Administrator. Mr. Lamson also noted that, as the State's Financial Reporting Administrator, Mr. Murphy was responsible for the preparation of the State's Comprehensive Annual Financial Report.

Mr. Lamson further reported that, if the Members were to elect Mr. Murphy as the Authority's next Treasurer and approve an employment agreement with him, he would start his employment with the Authority as its Treasurer-Elect on Wednesday, May 31st.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to elect Gerard J. Murphy to serve as the Authority's Treasurer, effective July 1, 2017, subject to contract negotiations, as recommended by management in Staff Summary #A-610, dated May 8, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Mr. Jones then complimented Mr. Murphy on his impressive resume, and stated that he was confident Mr. Murphy will do an excellent job at the Authority. After Mr. Jones also observed that it appeared that, over the course of his career, Mr. Murphy had been recruited for a number of new positions and expressed his hope that he would not be recruited for another new position after becoming the Authority's Treasurer, Mr. Murphy assured him that the Authority was where he wanted to spend the rest of his professional life. In this regard, Mr. Lamson noted that the Authority has had only three Treasurers over the last fifty years, and that two of those Treasurers were in the room that day.

Employment Agreement with Gerard J. Murphy:

Mr. Lamson then reviewed the material provisions of the staff's proposed employment agreement between the Authority and Mr. Murphy, observing that, except for Mr. Murphy's initial salary, the provisions were essentially the same as those of the employment agreements the Authority has entered into with himself and Messrs. Davis and Sayers over the years, and included an initial five-year term that will automatically renew unless and until the Authority provides Mr. Murphy with a year's notice (or Mr. Murphy provides the Authority

with six months' notice). In response to a question from Ms. Tierney, Mr. Murphy stated that he had reviewed the proposed employment agreement and that its provisions were acceptable to him

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the Chairman to execute an Employment Agreement with Gerard J. Murphy in substantially the form recommended by management and attached to Staff Summary #A-611, dated May 8, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Then, at approximately 3:32 p.m., Ms. Tierney entertained a motion to adjourn the meeting in public session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
May 10, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Notice and Agenda of the Authority's May 10, 2017 Meeting, posted May 8, 2017.
2. Staff Summary #A-610, dated May 8, 2017 – Staff's Recommendation for the election of the Authority's next Treasurer.
3. Staff Summary #A-611, dated May 8, 2017 – Employment Agreement with Gerard Murphy.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**May 23, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 23rd day of May, 2017, beginning at 9:30 a.m., in the Harbor View Gallery of the New Bedford Whaling Museum, located at 18 Johnny Cake Hill, New Bedford, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Security Lawrence S. Ferreira; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Chairman's Welcome:

Ms. Tierney then welcomed everyone to New Bedford and thanked them for attending today's meeting, observing that Harbor View Gallery in the New Bedford Whaling Museum was New Bedford's jewel meeting place. Ms. Tierney also noted that this was Mr. Lamson's last meeting in New Bedford as the Authority's General Manager, and she thanked him for everything he has done over the years to improve the relationship between the Authority and the entire New Bedford community.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meetings in public session on April 18 and May 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for March 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 7.4%), fewer automobiles (down 4.3%) and fewer trucks (down 3.0%) during the month than it had carried during the same month in 2016, and noted that the lower traffic levels may have been attributable, at least in part, to the large number of trips that were cancelled during that month due to weather (84 trips) compared to the same month in 2016 (22 trips). Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$2,699,000, approximately \$941,000 lower than what had been projected, with operating revenues and other income \$188,000 lower than projected and operating expenses, fixed charges and other expenses \$1,130,000 lower than projected.

Mr. Lamson further reported that, for the first three months of 2017, the Authority had carried fewer passengers (down 2.7%), fewer automobiles (down 2.0%) and more trucks (up 1.7%) than during the first three months of 2016. Mr. Lamson noted that, during this same period, the Authority's total operating loss had been around \$8,699,000, approximately \$3,548,000 lower than the amount projected in the 2017 Operating Budget, with operating revenues and other income \$24,000 higher than projected and operating expenses, fixed charges and other expenses \$3,524,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Mr. Lamson also reported that, based on the cash balance at the end of March 2017 and the estimated cash transfers to be made to the Authority's special purpose funds for the remainder of the year, it was anticipated that around \$10,480,000 will be transferred to the Authority's Replacement Fund this year, in addition to meeting all of the Authority's scheduled bond interest and principal payments through March 1, 2018.

Construction of the Authority's New General Offices:

Mr. Lamson then reported that the construction of the Authority's new administrative office building was proceeding pretty much on schedule, and that the contractor was now working on the mechanical, electrical and plumbing systems in the basement. Mr. Lamson also noted that the contractor has been holding off on closing in the roof and siding until the Glulam (glued laminated timber) beams are delivered and installed next month. Through the end of April, Mr. Lamson said, the Authority had authorized \$88,745 in change orders to the construction contract from the original contract amount of \$12,687,000, and had paid the contractor around \$3,000,000, or approximately 24% of the total contract amount. Mr. Lamson also noted that the staff was beginning to work with the architect on the procurement of the office furniture, computer equipment and telephone system that will be needed in the new building.

Mr. Cloutier then gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that, toward the end of last month, the modular units for the Woods Hole temporary terminal building were delivered and placed onto their foundation without any problems or issues. However, Mr. Lamson said, the trenching and underground utility work that since has taken place has presented a challenge to maintain terminal operations over the past few weeks, and the work has resulted in various temporary changes in traffic patterns at the terminal. But Mr. Lamson noted that the contractor is still looking to finish all of the outside work over the next few weeks, including restoring the bike path and exit lane for the back parking lot on the north side of the temporary building, and then finish up its remaining work by June 8th. In this regard, Mr. Lamson observed that the Authority had hoped to finish all of the outside work before the Memorial Day weekend, but that much of the utility work was held up until

the Authority received its waterways license for the project, which it received only late last month. Through the end of April, Mr. Lamson said, the Authority had authorized \$21,231 in change orders to the construction contract from the original contract amount of \$2,591,182, and had paid the contractor around \$1,532,000, or approximately 59% of the total contract amount.

Mr. Cloutier then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. During that presentation, Mr. Cloutier noted that, during the trenching and underground utility work, the contractor had run into a lot of interference and discovered that the water main was twelve inches higher than shown on the drawings. As a result, Mr. Cloutier said, the sewer connection will have to be relocated, which will impact traffic on Railroad Avenue after the Memorial Day weekend.

#### Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority should be receiving an updated cost estimate for the Woods Hole terminal reconstruction project by the end of this month, and that the design team was still working toward a mid-September date for the issuance of an invitation for bids for the marine contract so that the contract can be awarded at the November Authority meeting. Mr. Lamson also noted that there will be a separate contract for the demolition of the current General Office building after the new administrative office building and the temporary terminal building are completed, and that the invitation for bids for the demolition contract was expected to be issued in August so that the contract can be awarded at the September Authority meeting. Meanwhile, Mr. Lamson said, the architects were still working through some design concepts for the new permanent terminal building so that they can be presented to the Members for their consideration within the next few months.

#### Point-of-Sale Ticketing System Upgrade:

Mr. Lamson reported that most of the SkiData scanners have now been installed at each of the terminals, but that the staff is still working through some issues that have arisen with the scanning of bar codes on certain smart phones. For example, Mr. Lamson said, the brightness (or the lack of brightness) of some phones' display screens, as well as the orientation of the bar codes on some screens that rotate, have caused problems with scanning high-speed passenger tickets that are sold through the Authority's mobile site, and those problems are

affecting around ten percent of the phones that are scanned. Mr. Lamson stated that the Authority needs to resolve those problems before it allows customers to buy tickets for the traditional ferries on their smart phones, and that the staff hopes to resolve them over the next few weeks. In this regard, Mr. Lamson noted that the Authority needs a better way for bar codes to be displayed on customers' smart phones, or possibly another type of bar code or image that is easier to scan.

Mr. Lamson also reported that the staff is also looking forward to rolling out the RFID cards for the 46-ride monthly commuter books on the Martha's Vineyard route by the end of the month. Mr. Lamson noted that, after the Authority tests those RFID cards and works out any unexpected issues, it will then be able to expand the sale of RFID cards to replace the other types of multi-coupon ticket books on both routes.

In response to a question from Mr. Hanover, Mr. Rozum stated that commuters will be able to reload their RFID cards online and that the computer system will keep track of how many coupons have been used and how many are left. Mr. Rozum also noted that customers will not have to wait until the end of each month to purchase the following month's coupon book, and Mr. Lamson stated that, because the coupons in a 46-ride monthly commuter book are only valid for one calendar month and cannot be carried over from month to month, the system will also prevent customers from using coupons that are not valid for the month in which they are being used.

#### Renewal of the Tisbury Park 'n Ride Agreement:

Mr. Lamson asked the Members for authorization to renew the Authority's agreement with the Town of Tisbury and the Martha's Vineyard Transit Authority ("VTA") to continue to provide the Tisbury Park 'n Ride service for the next three years. Mr. Lamson noted that, as proposed, the agreement would require the Authority to continue reimbursing the VTA, as it has since 2003, for fifty percent (50%) of both the labor cost of the vehicle's drivers and the fuel costs which the VTA reasonably incurs to operate the service on a year-round basis. Mr. Lamson noted that the Authority has been reimbursing the VTA 50% of the labor cost of the vehicle's drivers based upon an hourly rate of \$18.50 (not including benefits) since 2003, and that the VTA was currently paying its drivers \$24.00 per hour, which represented an increase of less than 2% per year. Therefore, Mr. Lamson said, he was recommending that the Authority's reimbursement be based upon the VTA's current labor rate, which will increase the agreement's annual cost to the Authority from around \$66,400 to approximately \$83,000, an increase of a

little more than \$16,000. But Mr. Lamson also noted that, because of the increase in the number of passengers using the service, it will still cost the Authority only around \$0.67 per passenger, slightly less than what it cost the Authority to carry each passenger several years ago.

Mr. Lamson also asked the Members to approve a revision to the proposed agreement that would allow the Town of Tisbury to charge commercial trucks for parking at the Park 'n Ride lot even if they don't stay in the lot overnight. Specifically, Mr. Lamson said, he was recommending that the first sentence in Part III (A) of the proposed agreement be revised to read: "The Town will make the Lot available free of charge to all persons who wish to park their vehicles there for four calendar days or less, except that the Town may charge for the parking of commercial vehicles." Mr. Lamson agreed with Mr. Jones that this was not a new issue and that the Town previously had complained about the problems it was having with commercial trucks parking at the lot, and he observed that this revision would leave it up to the Town to decide whether or not it wants to charge commercial trucks for parking at the lot.

In response to a question from Mr. Jones, Mr. Balco stated that the lot is pretty filled most of the time and that allowing the Town to charge commercial trucks for parking there would not detract from the principal purpose of the agreement.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve and authorize the General Manager to execute a new agreement with the Town of Tisbury and the Martha's Vineyard Transit Authority with a term ending December 31, 2019, as described in Staff Summary #GM-684, dated May 17, 2017, and in substantially the same form as set forth in the attachment to that staff summary, with the additional revision to Part III (A) recommended by the General Manager at today's meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Parking Lot Improvements  
at 123 School Street, Hyannis:

Mr. Lamson then asked the Members for authorization to proceed with the staff's plans to make certain improvements to the parking lot at 123 School Street in Hyannis, the property that the Authority bought from Elaine Karath in 2012. Mr. Lamson observed that the area currently has parking spaces for eight vehicles and that the improvements would add 13 more spaces there, which will provide more parking for community groups who use the Hyannis terminal's second floor meeting room at night, as well as for Authority employees during the day.

After Ms. Gladfelter suggested that the staff might want to consider having a one-way "U"-shaped traffic flow in the lot with angled parking spaces instead of perpendicular ones, Mr. Jones expressed his concern about the telephone pole on School Street with two transformers on it, observing that Stuart Bornstein was proposing a development with underground utilities on the property that is adjacent to the parking lot. Mr. Jones asked whether the Authority would be coordinating with Mr. Bornstein about the project's utilities and, in response, Mr. Lamson stated that his understanding was that Mr. Bornstein was proposing to install underground utilities for all of the properties on School Street that are situated between South Street and Hyannis Harbor.

Mr. Jones then stated that he was in favor of the parking lot improvements, observing that it will improve the Authority's shuttle bus operations by allowing the buses to go back and forth on School Street without having to travel on Main Street. However, Mr. Jones stated that the parking lot should not be used by people who leave their cars in Hyannis while they are sailing on fishing boats, and he suggested that a solution to this problem might be to limit the amount of time that a car can be parked in any particular space. Mr. Jones then observed that the Authority had bought this property without any use in mind for it, and he stated that, in his opinion, this was the best use that can be made of the property for what it is.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to proceed with management's proposed parking lot improvements at 123 School Street, Hyannis, as described in Staff Summary #GM-685, dated May 17, 2017, including the award of a construction contract to the lowest eligible and responsible bidder if the amount of the contract is less than \$100,000.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Proposed 2018 Winter and Spring Operating Schedules:

Mr. Lamson reviewed with the Members the staff's preliminary version of the Authority's proposed 2018 Winter and Spring Operating Schedules, as set forth in Staff Summary #TPF-2017-4, dated May 17, 2017, noting that the proposed schedules take into consideration that the *M/V Martha's Vineyard* will be undergoing its mid-life refurbishment beginning in September 2017 and won't be returning to line service until the 2018 Early Spring Operating Schedule that commences on March 15, 2018. Mr. Lamson also noted that the proposed schedules were being presented today for discussion purposes only and that the Authority already had placed advertisements of the proposed schedules in the local newspapers to provide for a 30-day comment that will end before the Authority's next meeting on June 20th.

With respect to both routes, Mr. Lamson noted that the staff was proposing to begin the spring schedule on March 15, 2018, two days earlier than it began this past year, and also to end the spring schedule on May 10, 2018, resulting in the 2018 summer schedule starting on May 11, 2018 five days earlier than it began this past year. Mr. Lamson stated that the staff also was proposing to open the Oak Bluffs terminal at the same time.

With respect to the Nantucket route, Mr. Lamson stated that the staff was not proposing any changes to any of the trip times, the quantity of trips or the vessel crewing during either the winter or the spring schedule, and that the only proposed change from this past year's schedules would be the assignment of the *M/V Nantucket* in place of the *M/V Eagle* through January 10, 2018 while the *M/V Eagle* is in repair.

With respect to the Martha's Vineyard route, Mr. Lamson stated that:

- The staff is proposing to triple crew the freight boat during the 2018 Winter Operating Schedule, when the existing General Office building is scheduled to be demolished. Mr. Lamson noted that, although the freight boat has been single crewed during past winter schedules, the staff does not want to get into a situation where the freight boat is tied up at Woods Hole over a weekend and there is no place to dock an additional vessel there during the terminal's reconstruction. Further, Mr. Lamson said, during prior winters, the Authority sometimes has needed to call in extra crews so that the freight boat can provide extra trips on the weekends, and this will not be necessary next winter under the proposed schedules because a crew will already be there.
- The staff also was proposing to assign the *M/V Woods Hole* in place of the *M/V Island Home* from January 11, 2018 through March 23, 2018 while the *M/V Island Home* is in repair. Mr. Lamson noted that, although the *M/V Woods Hole* does not have as much passenger capacity as the *M/V Nantucket*, the Authority never carried more than 376 passengers on any trip during this past year's winter schedule.
- The staff is planning to berth the freight boat at Vineyard Haven during the Early Spring Operating Schedule (from March 15 through April 1, 2018) and have its first trip leave the island at 5:30 a.m. Mr. Lamson noted that the Authority berthed a freight boat at Vineyard Haven this past year, with a daily 5:30 a.m. departure, and did not receive any complaints from the public.
- It will not be until April 2, 2018, when the *M/V Woods Hole* is operating as the freight boat on the route, that the first freight trip will leave Woods Hole at 5:30 a.m. By comparison, the Authority resumed the 5:30 a.m. freight trip from Woods Hole this past year on March 17, 2017.

Mr. Lamson noted that the Authority already had received a few comments about the proposed schedules, although he stated that many of them were copies of prior comments that were submitted in the fall of 2016 and January 2017 when the staff had proposed previous operating schedules. Mr. Lamson also reported that the staff was going to look into whether the Authority should tweak the currently proposed 2018 winter and spring operating schedules to address the possibility that the Authority may have to operate out of one slip at the Woods Hole terminal if construction activities there require the marine contractor to work out of the other operating slip for a few weeks. However, Mr. Lamson observed that revising the schedules now to address that possibility may create more conflicts rather than fewer.

2016 Analysis of Rates versus Cost of Service:

Mr. Davis reviewed with the Members his analysis of the effectiveness of the Authority's rate structure to cover each route's cost of service for passengers, automobiles and trucks during the 2016 calendar year, as set forth in Staff Summary #A-612, dated May 17, 2017. Mr. Davis noted that the methodologies used in the analysis were the same as those that have been used for the previous twelve years, and that his annual review is conducted to determine the effectiveness of the Authority's rate structure for each island to cover that island's cost of service.

With respect to the Martha's Vineyard route, Mr. Davis noted that:

- (a) In 2016, the cost of vessel operations increased by \$1,364,000, or 5.5%, mainly due to increases in the dry-dock expenses for the *M/V Sankaty* and the addition of the *M/V Woods Hole*, although those additional expenses were partially offset by a slight decrease in vessel fuel costs. By contrast, indirect non-vessel costs decreased by \$507,000, or 2.1%, which resulted in the overall cost of service for the Martha's Vineyard route increasing by \$857,000, or 1.7%, from 2015.
- (b) The total number of trips operated increased by 157 in 2016, with total capacity for the year increasing by 34,620 car-equivalent unit spaces primarily because of the *M/V Woods Hole*'s increased vehicle capacity. The number of spaces occupied increased by 24,600, or 4.0%, from 2015, resulting in a decrease of the occupancy rate from 81.9% in 2015 to 81.4% in 2016.
- (c) The estimated cost of a car-equivalent unit space was \$49.61 in 2016, down from \$51.35 in 2015. On average, automobiles covered 97.1% of their allocated cost of service, with the standard fare automobiles covering 129.4% and excursion fare automobiles covering 39.9%. By comparison, on average, trucks covered 114.8% of their allocated cost of service.

With respect to the Nantucket Route, Mr. Davis noted that:

- (a) In 2016, the cost of vessel operations increased by \$1,821,000, or 12.1%, primarily due to increases in the dry-dock expenses for the *M/V Sankaty* and the *M/V Eagle*, although those expenses were partially offset by a \$500,000 decrease in vessel fuel costs. Indirect non-vessel costs also increased by \$2,830,000, or 24%, due to dock work at the Nantucket terminal, restroom renovations at both the Hyannis and Nantucket terminals, and the repair of the exterior steps at the Hyannis terminal. As

a result, the overall cost of service for the Nantucket route increased by \$4,651,000, or 17.3%, from 2015.

- (b) The total number of trips operated increased by 97 in 2016, with total capacity for the year increasing by 5,790 car-equivalent unit spaces. The number of spaces occupied increased by 8,899 from 2015, resulting in an increase of the occupancy rate from 84.2% in 2015 to 86.0% in 2016.
- (c) The estimated cost of a car-equivalent unit space was \$131.05 in 2016, up from \$113.16 in 2015. On average, automobiles covered 116.1% of their allocated cost of service, with the standard fare automobiles covering 147.3% and excursion fare automobiles covering 41.3%. By comparison, on average, trucks covered 88.3% of their allocated cost of service.

Mr. Davis also noted that the Nantucket route's cost of service had increased substantially in 2016 from what it had been in 2015 principally because the Authority had undertaken larger repair projects at the Nantucket and Hyannis terminals in 2016 compared to the smaller terminal repair projects that had been undertaken in 2015.

Ms. Gladfelter then stated that she appreciated all of the work that had gone into preparing this analysis and observed that, when there eventually is a need for rate increases, the information will be useful in considering which fares should be increased. For example, Ms. Gladfelter said, she assumed that when deciding which Nantucket fares should be increased, the Authority will consider the fact that trucks historically have not been covering their allocated cost of service. But Mr. Jones noted that the Authority has repeatedly decided that automobiles on the Nantucket route should pay more than their allocated cost of service so that trucks can pay less, based upon the philosophy that it is more important to ensure that freight is able to be transported less expensively, as an increase in the Authority's freight tariffs affects the cost of goods sold on the entire island.

Mr. Davis agreed, observing that the differences in the Authority's fares are the result of public policy decisions that have been made by the Members over the years. Ms. Gladfelter then asked how the Authority determines whether passengers are paying their fair share of each route's cost of service, noting that passenger fares comprise approximately thirty percent of the Authority's total revenues. In response, Mr. Davis stated that, when considering whether any of its passenger fares should be increased, the Authority principally compares those fares with the passenger fares of its competitors, as well as looking at how much each passenger fare has increased in the past.

Reduction Gears for the M/V Iyanough:

Mr. Lamson then asked the Members to award Contract No. 03-2017 for two reduction gears for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, ZF Marine Propulsion Systems Miramar, LLC of Miramar, Florida, for a total contract price of \$155,605. Mr. Lamson noted that, even though the Authority issued an invitation for bids for the reduction gears, there is only one supplier of the gears and, as a result, the Authority received only one bid in response to the invitation.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to award Contract No. 03-2017 for two reduction gears for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, ZF Marine Propulsion Systems Miramar, LLC of Miramar, Florida, for a total contract price of \$155,605, as recommended by management in Staff Summary #E 2017-4, dated May 11, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Purchase of 10 Additional Servers:

Mr. Lamson asked the Members for authorization to purchase ten additional servers for the Authority's new administrative offices from IntraSystems, Inc. of Braintree, Massachusetts, for \$111,610 pursuant to a state vendor contract. Mr. Lamson noted that the Authority purchased thirteen other servers last month, and that eight more servers for the office are scheduled to be purchased in September.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to purchase ten additional servers for the Authority's new administrative offices, from IntraSystems, Inc. of Braintree, Massachusetts, for \$110,610 pursuant to a state vendor contract, as recommended by management in Staff Summary #MIS04-17, dated May 17, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed many of the matters that the Members had considered that day, including how the Authority's ticket scanners were coming into service, the School Street parking lot improvements in Hyannis, the staff's proposed 2018 winter and spring operating schedules, and the renewal of the Tisbury Park 'n Ride agreement. Mr. Balco also reported that the Port Council had spent a significant amount of time reviewing Mr. Davis' analysis of the Authority's rates versus the cost of service and concluded that the poor island is not overpaying because the rich island is paying its fair share of the Authority's cost of service. Accordingly, Mr. Balco said, it appears that any future rate increases should be allocated to both islands, given that, at least for the past decade, neither island has been subsidizing the other island's cost of service.

Disclosure of Potential Conflict of Interest by  
Robert B. Davis, Phillip J. Parent and Steven M. Sayers:

Mr. Lamson then reviewed with the Members the written disclosure that Messrs. Davis, Parent and Sayers had submitted about their potential conflict of interest if they were to participate in the a review of the Authority's salary structure and salary and wage program for its non-union employees, given the fact that they have a financial interest in that matter. Mr. Lamson stated that he was recommending that the Members vote to determine that Messrs. Davis, Parent and Sayers may participate in the matter because their financial interest is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from them.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to:**

- **accept the written disclosure from Treasurer/ Comptroller Robert B. Davis, Director of Human Resources Phillip J. Parent and General Counsel Steven M. Sayers, as set forth in their letter to the State Ethics Commission, dated May 15, 2017;**
- **determine that the financial interest that Messrs. Davis, Parent and Sayers have in the matters described in the disclosure is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from them; and**
- **authorize Messrs. Davis, Parent and Sayers to participate in those matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Applicability of the Open Meeting Law to the  
Port Council and Committees of the Authority:

Mr. Sayers then noted that, as set forth in Staff Summary #L-468, dated May 17, 2017, Assistant Attorney General Jonathan Sclarsic, Director of the Office of the Attorney General's Division of Open Government, had informed him by letter of the Division's position that the Port Council and committees of the Authority and the Port Council are subject to the Open Meeting Law because, in Assistant Attorney General Sclarsic's opinion, both the Authority and the Port Council are located within the Executive Branch. Mr. Sayers stated that he disagreed with Assistant Attorney General Sclarsic's opinion and would continue his efforts to reach agreement with the Division of Open Government regarding the applicability of the Open Meeting Law to the Port Council and any committees established by either the Authority or the Port Council. But Mr. Sayers also recommended that, for as long as the Division maintains its current position, the Port Council and all such committees comply with the Open Meeting Law's requirements even though, in his opinion, they are not legally required to do so.

The Oak Bluffs Terminal's Extended Hours of Operation:

Mr. Hanover asked Ms. Barboza if there was any way that the Authority can keep track of how many people are making advance reservations at the Oak Bluffs terminal between 7:15 a.m., the terminal's new opening time, and 9:30 a.m., the time that the terminal opened in the past, to see how many people the Authority is serving with those extended hours. Mr. Lamson stated that he was also interested in receiving that information, and Mr. Balco suggested that the Authority advertise the terminal's extended hours a little more.

Public Comment:

Ms. Tierney then asked if anyone from the public wished to make any comments, but no one responded.

Then, at approximately 10:58 a.m., Ms. Tierney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the deployment of security personnel or devices, and strategies with respect thereto, and to discuss the Authority's strategy with respect to collective bargaining and anticipated litigation matters, because a

public discussion of these matters may have a detrimental effect on the Authority's bargaining, negotiating and litigating positions. After Ms. Tierney announced that these matters included:

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis;
- the potential acquisition of property on Nantucket; and
- negotiations with Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's security employees and regarding the merger of the Authority's money purchase plans for its parking attendants, bus drivers and security employees into the money purchase plan for the Authority's unlicensed vessel employees;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the deployment of security personnel or devices, and strategies with respect thereto, and to discuss the Authority's strategy with respect to collective bargaining and anticipated litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
May 23, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 23, 2017 Meeting Memorandum, dated May 18, 2017.
2. Minutes of the April 18, 2017 Meeting in Public Session (draft).
3. Minutes of the May 10, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of March 2017.
5. Administrative Office Building PowerPoint Presentation.
6. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated May 23, 2017.
7. Staff Summary #GM-684, dated May 17, 2017 – Proposed Renewal of the Tisbury Park 'n Ride Agreement.
8. Staff Summary #GM-685, dated May 17, 2017 – Proposed Parking Lot Improvements – 123 School Street, Hyannis.
9. Staff Summary #TPF-2017-4, dated May 7, 2017 – Preliminary Version of Proposed 2018 Winter and Spring Operating Schedules.
10. Staff Summary #A-612, dated May 17, 2017 – 2016 Analysis of Rates versus Cost of Service, including the Background Material Relative to the Effectiveness of the Authority's Rate Structure to Cover the Respective Cost of Service for Passengers, Automobiles and Trucks.
11. Staff Summary #E 2017-4, dated May 11, 2017 – Contract 03-2017, "Supply and Deliver Two (2) ZF-4650 (D) Reduction Gears."
12. Staff Summary #MIS04-17, dated May 17, 2017 – Request for Authorization to Purchase Additional Servers for the New Admin Offices.
13. Minutes of the Port Council's May 3, 2017 Meeting (draft).
14. Staff Summary #GM-686, dated May 17, 2017 – Robert B. Davis, Phillip J. Parent, and Steven M. Sayers Disclosure of Potential Conflict of Interest.
15. Staff Summary #L-468, dated May 17, 2017 – The Open Meeting Law's Applicability to the Port Council and Committees of the Authority.
16. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**June 15, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of June, 2017, beginning at 3:02 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford (who participated remotely by telephone conference call); Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council member Robert S. C. Munier of Falmouth was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Treasurer-Elect Gerard J. Murphy; and General Counsel Steven M. Sayers.

Ms. Tierney's Remote Participation in the Meeting:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in this meeting because her geographic distance from Woods Hole made her physical attendance today unreasonably difficult. Mr. Ranney stated that he agreed with Ms. Tierney and that, as the Authority's Vice Chairman who was chairing today's meeting in Ms. Tierney's physical absence, he had determined that Ms. Tierney's physical attendance was unreasonably difficult due to her geographic distance from Woods Hole and that, therefore, she may participate remotely in this meeting, which includes voting on all matters. Mr. Ranney noted that Ms. Tierney would be doing so by telephone conference call, and that she would be clearly audible to the other Members and each of the other Members would be clearly audible to her. Finally, Mr. Ranney announced that, due to Ms. Tierney's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Public Hearing on the Authority's Proposed  
2018 Winter and Spring Operating Schedules:

Mr. Lamson advised the Members that, the previous Thursday, he had received a petition signed by 61 Falmouth residents requesting that the Authority conduct a public hearing on its proposed 2018 Winter and Spring Operating Schedules and that Mr. Sayers had prepared a memorandum, dated June 9, 2017, in which he had made certain recommendations for consideration by the Members regarding the format and conduct of the public hearing. The Members then reviewed that memorandum with Mr. Sayers and first considered who should conduct the public hearing. In this regard, the Members agreed that the hearing should be conducted by Mr. Sayers and that, after the Chairman opens the hearing, it would be best if the Members only listened to the public testimony as observers and did not deliberate among themselves during the hearing.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by  
Ms. Gladfelter -- to designate the Authority's General  
Counsel to conduct the public hearing on the proposed  
2018 Winter and Spring Operating Schedules.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Mr. Sayers then informed the Members that the Authority already has made arrangements for Steve Baty of All Media Productions to attend the hearing and make a video and audio recording of it. Therefore, Mr. Sayers said, the Members will be able to review that recording if any of them are unable to attend the hearing.

The Members then discussed whether persons providing testimony should be sworn in as witnesses. Initially, Mmes. Gladfelter and Tierney expressed their preference for this requirement to ensure that everyone who testifies realizes the importance of their testimony, but Mr. Jones stated that he had never conducted or participated in a public hearing where people were required to be sworn in, and that he strongly recommended against it.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- that persons not be required to be sworn in as witnesses in order to provide testimony at the public hearing.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

The Members continued to discuss the issues described in Mr. Sayers's memorandum and generally agreed with his recommendations. Specifically, they agreed that Mr. Sayers should establish time limits for people's testimony if they are necessary to ensure that everyone who wants to testify has a fair opportunity to do so; but that Nat Trumbull, who submitted the petition on behalf of the 61 Falmouth residents, should be provided more time to testify than others. The Members also agreed that public officials should be provided the opportunity to testify either at the beginning or at the end of the hearing, whichever they prefer, that otherwise Mr. Trumbull should be provided the opportunity to testify first, and that others should then be called upon in the order that they sign up at the hearing.

The Members also agreed that the public should be asked to submit their written testimony as soon as possible after the hearing so that the staff can consider their testimony before completing their draft report for consideration by the Port Council and the Members at their regular July 2017 monthly meetings. In this regard, Mr. Lamson noted that the staff was planning to provide the Port Council with the materials for their July 6, 2017 meeting by Friday, June 30, 2017.

Although Mr. Jones noted that the Barnstable Town Council always have a police officer at their meetings, the Members agreed that the Authority should not have a police officer attend the public hearing. The Members also agreed that they all should be seated at the front of the room and that everyone who talks should speak into a microphone.

At this time, Ms. Tierney stated that she had to leave the meeting.

Finally, the Members agreed that the Authority should not take any positions at the hearing or attempt to correct or clarify any statements that might be made during the testimony. Indeed, in order to reduce the possibility of getting into debates with individuals at the expense of providing everyone with the opportunity to testify, the Members agreed that the Authority also should not answer any questions that might be posed at the hearing, unless the questions can be answered quickly and easily.

Then, at approximately 4:10 p.m., Mr. Ranney entertained a motion to adjourn the meeting.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to adjourn the meeting in public session.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
June 15, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Notice of the Authority's June 15, 2017 Meeting in Public Session, posted at 9:00 a.m. on June 13, 2017.
2. Statement to be Read at the Beginning of the Meeting.
3. Memorandum from General Counsel Steven M. Sayers to General Manager Wayne C. Lamson, dated June 9, 2017 – Petition from Residents of the Town of Falmouth.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**June 27, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 27th day of June, 2017, beginning at 10:00 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford (who participated remotely by Skype); Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury, Port Council Vice Chairman Nathaniel E. Lowell of Nantucket, and Port Council member Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Treasurer-Elect Gerard J. Murphy; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Nantucket Terminal Manager Elaine K. Mooney; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Ms. Tierney's Remote Participation in the Meeting:

Mr. Ranney announced that he had been notified by Ms. Tierney that she desired to participate remotely in this meeting because her geographic distance from Nantucket made her physical attendance today unreasonably difficult. After saying that he agreed with Ms. Tierney, Mr. Ranney announced that, as the

Authority's Vice Chairman who was chairing today's meeting in Ms. Tierney's physical absence, he had determined that Ms. Tierney's physical attendance was unreasonably difficult due to her geographic distance from Nantucket and that, therefore, she may participate remotely in this meeting, which includes voting on all matters. Mr. Ranney noted that Ms. Tierney would be doing so by Skype, and that she would be clearly audible to the other Members and each of the other Members would be clearly audible to her. Finally, Mr. Ranney announced that, due to Ms. Tierney's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

The June 16, 2017 M/V Iyanough Accident:

Mr. Lamson then gave a report to the Members on the June 16, 2017 accident involving the Authority's high-speed ferry, the *M/V Iyanough*, as more fully set forth in Appendix A to these minutes.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meetings in public session on May 23 and June 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for April 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority

had carried more passengers (up 7.5%), more automobiles (up 6.2%) and more trucks (up 4.9%) during the month than it had carried during the same month in 2016, noting that the increase in the number of passengers carried in April 2017 included a 55% increase in the number of high-speed ferry passengers as a result of starting the service on April 1st this year (compared to April 12th in 2016). Mr. Lamson also reported that the Authority's net operating loss for the month had been around \$26,000, approximately \$1,212,000 lower than what had been projected, with operating revenues and other income \$513,000 higher than projected and operating expenses, fixed charges and other expenses \$699,000 lower than projected.

Mr. Lamson further reported that, for the first four months of 2017, the Authority had carried more passengers (up 0.8%), more automobiles (up 0.6%) and more trucks (up 2.7%) than during the first four months of 2016, and noted that, during this same period, the Authority's total operating loss had been around \$8,725,000, approximately \$4,760,000 lower than the amount projected in the 2017 Operating Budget. Mr. Lamson stated that, during this period, the Authority's operating revenues and other income had been \$537,000 higher than projected and operating expenses, fixed charges and other expenses had been \$4,223,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

#### Construction of the Authority's New General Offices:

Mr. Lamson then reported that the construction of the Authority's new administrative office building was continuing to proceed pretty much on schedule, and that the contractor was installing the Glulam (glued laminated timber) beams which arrived at the beginning of this month. Mr. Lamson also reported that the contractor has held off on closing in the roof and siding until after the beams have been installed, and that the staff was beginning to work with the architect on the procurement of the office furniture, computer equipment and telephone system that will be needed in the new building.

Mr. Sayers then gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot.

Temporary Woods Hole Terminal Building:

Mr. Lamson reported that the contractor for the Woods Hole temporary terminal building is finishing up its work, and that the trenching and tying into the Town of Falmouth's sewer system is completed. Mr. Lamson noted that, earlier this month, the site contractor had to dig up Railroad Avenue to connect the building to the Town's sewer main, and he expressed the Authority's appreciation for everyone's patience while traffic on Railroad Avenue was rerouted for a few days.

Mr. Sayers then gave another PowerPoint presentation showing the progress of the construction of the Authority's temporary Woods Hole terminal building. After the presentation, Mr. Hanover and Ms. Gladfelter noted that a lot of people were very impressed by how the building looks, particularly because the building's sides have a mural of navigation charts of Woods Hole and Martha's Vineyard, and that people are disappointed that the building is only temporary.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the final design work for the marine portion of the Woods Hole terminal reconstruction project was continuing to move forward. Mr. Lamson stated that the Authority had received an updated construction cost estimate last week, and that the staff was in the process of reviewing it before presenting it to the Port Council and the Members next month. Mr. Lamson also stated that, next month, the staff will also be presenting to the Port Council and the Members some design concepts for the new permanent terminal building before going before the Falmouth Historic Districts Commission. Mr. Lamson noted that, meanwhile, the Authority was still on schedule to issue an invitation for bids for the marine contract in September so that the contract can be awarded at the Authority's November meeting.

Point-of-Sale Ticketing System Upgrade:

Mr. Lamson reported that the Authority had rolled out the sale of RFID cards for the 46-ride monthly commuter books on the Martha's Vineyard route at the end of last month, that customers are able to reload their 46-ride cards before the end of each month at the Authority's ticket offices and that, beginning next month, they also will be able to reload them each month online. Mr. Lamson

noted, however, that the staff was still working through some remaining issues with the scanning of bar codes on tickets when they are displayed on certain smart phones. To resolve those issues, Mr. Lamson said, the Authority has transitioned to a different bar code format that is easier for its scanners to read, especially in bright sunlight. Mr. Lamson reported that, after the Authority finishes with that part of the project, it will roll out RFID cards for 10-ride adult ticket books and then begin selling traditional ferry tickets online and on smart phones before making RFID cards available for child and senior ticket books.

The Authority's Public Hearing on Its Proposed Schedule Changes:

Mr. Sayers then recounted how, pursuant to the Authority's Enabling Act, the Authority had placed advertisements last month of its proposed 2018 Winter and Spring Operating Schedules for the period from January 5 through May 10, 2018 in newspapers with general circulation in Falmouth, Barnstable, Martha's Vineyard, Nantucket and New Bedford. Mr. Sayers noted that on June 8th, in response to those advertisements, the Authority received a petition signed by 61 residents of the Town of Falmouth requesting that the Authority hold a public hearing on its proposed schedules. Mr. Sayers stated that, also pursuant to its Enabling Act, the Authority then conducted a public hearing at the Falmouth Public Library on June 20th to receive testimony regarding its proposed schedules to ensure that the Authority gains the benefit of the views of the parties affect, and that 90 people signed in at that hearing.

Mr. Sayers stated that the staff will consider all of the testimony received at the hearing, as well as written testimony that is submitted, and then prepare a draft report recommending either that the Authority maintain the 2018 Winter and Spring Operating Schedules as originally proposed by the staff, or that the Authority make modifications to those proposed schedules. Mr. Sayers further stated that the staff will explain the reasons for their recommendations in the draft report and that, when it is prepared, the draft report, together with all of the written testimony received, will be forwarded to the Members and the Port Council, and then posted on the Authority's website. In this regard, Mr. Sayers stated that the staff expected that the draft report will then be considered by both the Port Council and the Members at their regular monthly meetings.

Mr. Sayers noted how, in their petition, the 61 Falmouth residents object to the Authority's continued scheduling of freight service from Woods Hole prior to 6:30 a.m. due to the sleep deprivation caused by the noise impact of early morning Steamship Authority-related truck traffic on Falmouth and Woods Hole residents. Mr. Sayers then recounted how the Authority first received complaints

about its 5:30 a.m. freight trip in the fall of 2015 and how, since then, the Authority has taken a number of measures to reduce the noise associated with that trip as well as all of the Authority's other early morning trips from Woods Hole. For example, Mr. Sayers said:

- The Authority has stopped assigning the *M/V Katama*, the *M/V Gay Head*, or the *M/V Sankaty* to operate the 5:30 a.m. freight trip, as all of those boats require trucks to back up, and use their back-up alarms, when they are being loaded onto those boats. The Authority now assigns only the *M/V Governor* or the *M/V Woods Hole* to run that 5:30 a.m. freight trip, because trucks drive forward onto those boats when they are loaded.
- The Authority also has changed its methods of staging trucks at the Woods Hole terminal during the early morning so that they do not have to back up, and again use their back-up alarms, when they are being staged before being loaded onto the ferries.
- The Authority has sent letters to its freight shippers reminding them that their truck drivers are not allowed to idle their engines unnecessarily while they are at the terminal, and has posted "No Idling" signs at various locations around the terminal. The Authority also has reminded them to obey the speed limit as they drive down Woods Hole Road and not to use their Jake brakes while they are on the road.
- The Authority no longer allows trucks to arrive at the terminal prior to 5:00 a.m., and the Authority has announced that no trucks are allowed at the terminal prior to 5:00 a.m. on its variable message sign on Route 28 leading into Falmouth.

Mr. Sayers reported that, at the public hearing, the Authority did not hear many complaints about the operations at the Woods Hole terminal itself in the early morning, and he stated that this was a tribute to how well Woods Hole terminal manager Kevin Smith and the Terminal Agents manage the truck traffic at the terminal. Mr. Sayers noted that he had witnessed those operations himself a few weeks ago, and that the way that Mr. Smith has the trucks maneuver around the property so that they don't have to back up was almost like a ballet.

But Mr. Sayers acknowledged that the Authority did hear many complaints about the number of trucks coming down Woods Hole Road, pretty much all at the same time, just before the terminal opens at 5:00 a.m., and how trucks that arrive before 5:00 a.m. drive around town until the terminal opens. Therefore, Mr. Sayers said, the staff now realizes that the Authority's decision not to allow any trucks to come onto the property before 5:00 a.m. appears to have created

the unintended consequence of the trucks that have reservations on the first four trips of the morning that leave at 5:30, 6:00, 6:30 and 7:00, as well as trucks that want to go standby on any of those trips, all arriving within a short time after 5:00 a.m., almost as if in a caravan.

Therefore, Mr. Sayers said, starting on Monday, July 10th, the Authority will be prohibiting standby trucks from arriving at the Woods Hole terminal until 6:30 a.m., and there will also be new procedures for trucks arriving at the terminal, as follows:

- Only trucks with reservations for the 5:30 a.m. trip will be allowed to show up at the terminal beginning at 5:00 a.m.;
- Trucks with reservations for the 6:00 a.m. trip will not be allowed to show up at the terminal until 5:15 a.m.;
- Trucks with reservations for the 6:30 a.m. trip will not be allowed to show up at the terminal until 5:45 a.m.;
- Trucks with reservations for the 7:00 a.m. trip will not be allowed to show up until 6:00 a.m.; and
- All other trucks, including standby trucks, will not be allowed to show up at the terminal until 6:30 a.m.

Proposed 2018 Winter and Spring Operating Schedules:

Mr. Lamson then noted that, at the June 20th public hearing on its proposed 2018 Winter and Spring Operating Schedules, the Authority did not receive any comments about the proposed schedules for the Nantucket route, and that the Authority had not received any written comments about those proposed schedules either. Therefore, Mr. Lamson said, the staff was requesting that the Members approve those schedules today so that the Authority can begin processing bulk freight reservations on the Nantucket route for the period from January 5 through May 10, 2018. Mr. Lamson also noted that there had been no changes to the proposed schedules since they were presented at last month's Authority meeting.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the 2018 Winter and Spring Operating Schedules for the Nantucket route, as proposed by management in Staff Summary #TPF-2017-6, dated June 21, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2018 Budget Policy Statement:

Mr. Davis then asked the Members to approve the staff's proposed 2018 Budget Policy Statement that will set forth the guidelines the staff is to use for developing the revenue and expense estimates for the Authority's 2018 Operating Budget. Mr. Davis observed that, if approved, the Budget Policy Statement would require the staff, among other things:

- to base the Authority's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2016 through July 2017), although the staff will review trends on the Nantucket route for any discernable impact on ridership now that the Authority is the only provider of traditional ferry service on that route;
- to base the Authority's projected vessel operating expenses in part on the operating schedules the staff will be proposing over the next few months for 2018;
- to include depreciation for the new administrative office building, the new temporary Woods Hole terminal building, and the cost of the *M/V Martha's Vineyard's* mid-life refurbishment;
- to properly maintain each of the Authority's terminals and identify terminal repairs and maintenance that will be needed, although no significant terminal repair projects are currently anticipated;
- to schedule the vessels that will be dry-docked during 2018 (the *M/V Nantucket*, *M/V Eagle*, *M/V Island Home*, *M/V Sankaty*, *M/V Katama* and *M/V Iyanough*);
- to take into account the Authority's expected training expenses due to the continuation of a number of different training programs, including STCW basic training for one-fifth of the vessels' crews, Marine Evacuation Slide

(MES) training, customer service training, discrimination prevention training, and rescue boat, security and oil spill prevention and response training;

- to assume that technology will continue to be used to improve customer service and reduce the Authority's operating costs;
- to assume that the Authority will maintain the same types of advertising, although the appropriate mix of media usage will continue to be re-evaluated; and
- to assume that the Authority's health care expense will reflect the continuation of employee contributions for 20% of the expected annual costs of coverage.

Mr. Davis also noted that one of the Authority's more significant operating expenses is vessel fuel oil and that, as for the past few years, the proposed 2018 Budget Policy Statement would require the staff to base the budgeted cost of vessel fuel oil on next year's cap prices or the then-current forecasts for oil prices during 2018 (plus the premium cost of the hedging program), whichever is lower. Mr. Davis observed that, currently, the barrel price of crude oil is trading in the \$45 - \$50 range while a year ago at this same time crude oil was trading in the \$40 - \$50 range (and that one month ago it was trading in the \$50 - \$55 range). In addition, Mr. Davis said, the Authority's hedge program for expected vessel fuel consumption for 2018 already has been executed through the first three quarters of the year with an average cap price of \$2.19 per gallon and that, by comparison, this year's average budgeted cost for vessel fuel is \$2.05 per gallon.

Mr. Davis further stated that projections will also be made in the budget for anticipated license fee income from all of the Authority's licensed carriers, taking into account the most recent traffic expectations and changes in Hy-Line's traffic patterns, and that the budget will also allow the Authority to maintain sufficient fund balances to meet its scheduled debt service requirements and to adequately fund cash transfers to the Replacement Fund (in an amount not less than this year's anticipated transfer of \$9,400,000 but not to exceed the Authority's projected depreciation expense for 2017, which is currently estimated at \$10,164,000).

Mr. Davis also noted that, in preparing a preliminary operating budget using these guidelines, the staff will be making all efforts to avoid the need for any additional rate increases. After reporting that, at their meeting earlier this month, the Port Council had voted to recommend that the Members adopt the Budget Policy Statement as proposed, Mr. Davis stated that, assuming that the Budget Policy Statement is adopted, the preliminary budget will be presented to

the Members for discussion in September before the final version of the budget is approved in October.

In response to a question from Mr. Jones, Mr. Davis stated that the Authority had paid around \$300,000 in premiums for its fuel price hedging program so far next year and that it will have fuel cap prices similar to its fuel cap prices this year. In this regard, Mr. Davis noted that, over the past five months, fuel prices have exceeded those cap prices and that, as a result, the Authority already has received a return on its hedging program this year.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to adopt the 2018 Budget Policy Statement in the form attached to Staff Summary #A-613, dated June 21, 2017, as recommended by management.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Changes in the List of Authorized Check Signers:

Mr. Davis then asked the Members to adopt resolutions updating the list of signers on the Authority's bank accounts so that Mr. Murphy is one of the four authorized signers when he becomes the Authority's Treasurer/Comptroller on July 1, 2017.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to adopt the resolutions attached to Staff Summary #A-614, dated June 21, 2017, to update the list of authorized signers on the Authority's bank accounts, as recommended by management in that staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	_____
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Mr. Lamson then introduced Mr. Murphy to the audience and Mr. Ranney welcomed him to his first monthly Authority meeting.

2017 Wage and Salary Program for Non-Union Personnel:

Mr. Lamson noted that, for decades, the Authority has followed a wage and salary program for its nonunion employees that was originally developed by its consultant, the predecessor of Willis Towers Watson, but that, earlier this year, the Members recognized that his retirement as General Manager, as well as the appointment of Mr. Davis as his successor and the appointment of Mr. Murphy to succeed Mr. Davis as the Authority's next Treasurer/Comptroller, presented the ideal time for the Authority to review its salary and wage program for all of its nonunion employees. Accordingly, Mr. Lamson recounted how the Members established a Committee, comprised of Ms. Gladfelter and Messrs. Hanover and Balco, to review that program and how the committee's review also included looking into whether the Authority should adjust the salary structure scales for any of its nonunion positions to ensure that the salaries of all of the positions are in line with the salaries for comparable positions in other public service organizations, as well as the wages paid to the Authority's unionized employees.

Mr. Lamson also reported that the committee was assisted in their review by four members of the management staff, Messrs. Lamson, Davis, Parent and Sayers, who provided them with the following information and recommendations:

- Prior to 2005, the Authority's employees were not required to pay any portion of the cost of their medical coverage. However, the Authority gradually required all of its employees to pay a portion of the cost of their medical coverage to the point where all employees are now required to pay

20% of the cost of their medical coverage. To partially offset this additional financial burden on its employees, particularly those in lower salary grade positions who were disproportionately affected, the Authority adjusted the salaries of its nonunion employees, but it did not correspondingly increase the salary ranges for any of its nonunion positions. Therefore, the staff recommended that the Authority also increase the salary ranges for each salary grade by the amount that it increased the salaries of its lower grade positions to partially offset those employees' obligation to pay 20% of the cost of their medical coverage.

- Although the salary range for each of the 18 salary grades (Grades 2 through 19) in the wage and salary program increases on average by approximately 10% per grade, the percentage increases between the lower salary grades were generally smaller (as low as 6.9%), while they were generally greater between the higher grades (as high as 11.6%). Therefore, the staff recommended that the Authority smooth out those increases so that the salary range for each salary grade is approximately 10% higher than the midpoint of the salary range for the grade immediately below it.
- For 2017, Willis Towers Watson is recommending that the Authority increase the salary ranges for its nonunion positions in all of the salary grades by 2.1%. Therefore, the staff recommended that the Authority also implement the 2.1% salary structure adjustment recommended by Willis Towers Watson.

Mr. Lamson observed that, if these three adjustments are made, the salary ranges for all but three of the Authority's nonunion positions (namely, General Manager, Port Engineer and Assistant Port Engineer positions) would appear to be in line with the salaries for comparable positions in other public service organizations, as well as the wages paid to the Authority's unionized employees. Accordingly, Mr. Lamson reported that, with respect to those three other positions, the staff further recommended that:

1. a new Grade 20, with a salary range that is 10% higher than the salary range for Grade 19, be established, and that the General Manager position be moved from Grade 19 to Grade 20;
2. the Port Engineer position be moved from Grade 14 to Grade 15; and
3. the Assistant Port Engineer position be moved from Grade 12 to Grade 14.

Mr. Lamson stated that the staff also recommended that the Authority approve a budget sufficient to provide merit salary increases averaging three percent (3%) for its nonunion employees, which also is being recommended by Willis Towers Watson. But Mr. Lamson observed that, if the above adjustments are made to the Authority's wage and salary program, the current salaries of 21 nonunion employees will fall below the newly established minimum salaries for their positions. Therefore, Mr. Lamson noted that the staff further recommended that the Authority approve an additional budget, in the amount of approximately \$73,500, which is around 1.25% of the aggregate of the nonunion employees' current annual salaries (not including the salaries of the General Manager or the Treasurer/Comptroller), to increase those 21 employees' salaries to the newly established minimum amounts as part of the merit salary increase process.

Finally, Mr. Lamson reported that, at their meeting on June 15, 2017, the committee unanimously voted to recommend that the Authority adopt the staff's proposed adjustments to the Authority's wage and salary program as he had just described them.

Mr. Jones thanked the committee and the staff for their work, saying that he was delighted to see how they had handled the matter and that the proposed adjustments are long overdue. After Mr. Lamson confirmed that the program pertains only to the employees' wages and salaries, and does not include the benefits that they receive in addition to their wages and salaries, which Mr. Jones noted are considerable, Mr. Jones declared that he thought the committee had done a great job and that he hopes the employees realize that. Mr. Lamson agreed, observing that the Authority has to remain competitive to retain its employees and to recruit new employees as others are promoted and retire.

**IT WAS VOTED -- upon Mr. Jones's motion, seconded by Ms. Tierney -- to approve the proposed 2017 wage and salary program for the Authority's nonunion employees as described in Staff Summary #GM-687, dated June 22, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed many of the matters that the Members had considered that day, including the Authority's capital projects and how its ticket scanners were coming into service. Mr. Balco also noted that the Port Council had asked for information about how many times passengers on the Peter Pan bus that is scheduled to arrive at Woods Hole at 9:40 p.m. miss the last ferry to Martha's Vineyard that is scheduled to leave at 9:45 p.m. to see if there is a need to better coordinate those schedules. However, Mr. Balco later noted that, if the bus is running late by five or ten minutes, the bus driver is able to call the Woods Hole terminal so that the Authority can hold the ferry until its arrival.

Mr. Balco also reported that the Port Council had reviewed the staff's proposed Budget Policy Statement and their traffic assumptions, recognizing that a large amount of the traffic on Martha's Vineyard is attributable to the substantial number of cars registered on the island, which have increased at a much faster rate than the Authority's traffic, and that he assumed this was also the case on Nantucket. Finally, Mr. Balco said, the Port Council discussed the possible applicability of the Open Meeting Law to their meetings and noted that Mr. Sayers was working on that issue.

Public Comment:

In response to a question from *Nantucket Inquirer & Mirror* Managing Editor Joshua H. Balling about the service hours of the Captain and Pilot/Mate who were on board the *M/V Iyanough* at the time of the accident, Mr. Lamson stated that because both the Authority's and the Coast Guard's investigation of the accident were continuing, the Authority had no plans to release any more information or to make any more comments at that time. Mr. Lamson also stated that the Coast Guard had not given the Authority any indication about the time line of its investigation.

In response to another question from Mr. Balling, Mr. Lamson stated that the Authority was chartering the *M/V SeaStreak – Wall Street* from SeaStreak to provide service between Hyannis and Nantucket for the upcoming Saturday, Sunday and Monday and that, although the vessel has a capacity of 500 passengers, the Authority would limit the capacity to fewer than 400 passengers in order to accommodate all of the passengers' luggage. Mr. Lamson also noted

that the vessel will be operating on a slightly modified schedule and will be berthing overnight on Nantucket, where the Authority has had to obtain rooms for the crew.

After saying that he could not say enough about SeaStreak and how much it has helped the Authority during this period, Mr. Lamson noted that Hy-line was also going to be providing service between Hyannis and Nantucket with the *M/V Lady Martha* on Friday and that, if Hy-Line feels there is a need to provide more service on other days, the Authority would talk to them about that.

Nantucket resident Phil Gallagher noted that he had heard that the Cape Cod Regional Transit Authority has introduced some interesting improvements to its schedules to make it easier for people to connect with the ferries, and he declared that, in his experience, the Transit Authority always tries to be helpful and bends over backwards for its passengers. Mr. Gallagher suggested that the Authority contact the Transit Authority to see if there might be other ways that the ferry and bus connections can be improved, observing that the Transit Authority is obviously willing to do anything it can to help its passengers.

After thanking Mr. Gallagher for his kind comments, Cape Cod Regional Transit Authority Administrator Thomas S. Cahir recounted how he has been involved with the Authority since he used to work in the Authority's parking lots during college, then when he was a State Representative and Co-Chair of the Legislature's Joint Committee on Transportation, then as Deputy Secretary of the Department of Transportation, and finally as the Transit Authority's Administrator. Mr. Cahir declared that during this entire time he has admired and has tried to emulate his friend Wayne Lamson, who always has done everything asked of him and has been there for everyone. Mr. Cahir stated that he admires Mr. Lamson both as a leader and as a person, and he hopes that everyone appreciates just how extraordinary he is and what he has done for the Authority.

Mr. Cahir then also complimented Mr. Davis, recounting how the Transit Authority approached the Authority a few years ago asking whether the Authority could provide information about its ridership to see if the Transit Authority can obtain additional funding for this region from the Federal Transit Administration. Mr. Cahir noted that it was not easy to provide all of that information, but that due to the efforts of both Mr. Lamson and Mr. Davis the Transit Authority will be receiving millions of additional dollars from the Federal Transit Administration and the Authority will also be able to use a portion of those funds.

Recognition of General Manager Wayne C. Lamson:

The Authority then recognized Mr. Lamson for his 48 years of service with the Authority, as more fully set forth in Appendix B to these minutes.

Then, at approximately 11:15 a.m., Mr. Ranney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Mr. Ranney announced that these matters included:

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis; and
- the potential acquisition of property on Nantucket;

he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**APPENDIX A  
TO THE  
MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
June 27, 2017**

**Report of General Manager Wayne C. Lamson  
on the  
Accident Involving the Authority's High-Speed Ferry, the M/V Iyanough**

As everyone knows by now, at 9:35 in the evening of Friday, June 16th, the *Iyanough* had an allision with the Hyannis Harbor breakwater. The vessel was traveling from Nantucket to Hyannis on its last trip of the day. There were 48 passengers, 6 crew members, and 3 food service workers on board the vessel at the time of the incident.

On behalf of the Steamship Authority, I again want to thank the Coast Guard, all of the local first responders, the crew of the helicopter from Air Station Cape Cod, and the *Iyanough's* crew and passengers who made the ferry's evacuation safe and orderly under adverse conditions. Our concerns are first and foremost for the safety and well-being of our passengers and crew, and we deeply appreciate the efforts of all who guided them safely to shore.

The Coast Guard hoisted 5 injured passengers off of the ferry, as well as 10 other people who could not walk over the breakwater. The remaining passengers and crew were taken off the ferry to shore by boat. Acting Hyannis Fire Chief Dean Melanson has indicated that 15 people were brought to Cape Cod Hospital for various injuries, none of which were said to be life-threatening. All of the injured passengers and crew members were treated and released from the hospital.

Despite the impact of the allision, the *Iyanough's* fuel tanks remained intact and there was no environmental damage as a result of the incident. The following morning, we were able to free the vessel from the breakwater and take it to the

Hyannis terminal. Later that day, the vessel left under its own power to Fairhaven Shipyard so that it could be inspected to determine what repairs are needed before it can be placed back into service.

The Coast Guard is conducting an investigation of the incident, which includes interviews with the crew to determine its exact cause. We are also investigating the accident and, although our investigation is continuing, our preliminary findings include the following:

- The *Iyanough* departed from Nantucket at 8:45 that evening bound for Hyannis. The winds were reported to be strong from the SSE at approximately 30-35 knots and visibility was diminished by intermittent rain and fog. The crossing itself was uneventful.
- As the vessel approached the “HH” navigation buoy – which is located about 2,500 yards south of the entrance to the main channel for Hyannis Harbor – security calls were made and the buoy was logged. At that point, the next navigation buoy the vessel would pass by on its way into the channel would be Buoy No. 4, which is located a few hundred yards south of the channel entrance, and after passing by Buoy No. 4, the vessel would turn starboard to go between Buoys 5 and 6, which mark the 240-foot wide entrance into the channel, at its usual operating speed of more than 32 knots.
- After logging the HH buoy, the Captain asked the Pilot to use the vessel’s searchlight and light up Buoy No. 4 for him. The Captain then reached across the console and engaged the searchlight for the Pilot.
- When the Captain returned to the RADAR, he recognized the familiar pattern of Buoys 4, 5 and 6 and began adjusting the vessel’s course to accommodate its entrance into the main Hyannis channel. The Pilot was unable to locate any navigational aids with the searchlight.
- But what the Captain had interpreted on the RADAR as Buoy No. 4 was in fact the metal pole at the end of the breakwater, which is about 800 yards north of Buoy No. 4 and also north of the channel entrance. At that time, the breakwater itself was not visible on RADAR because the waves, which were estimated to be 8 feet high at the time, obscured the breakwater’s RADAR image, while the pole was visible because of its greater height above the waves. In addition, what the Captain had interpreted as Buoys 5 and 6 were actually sailboats located on the other side of the jetty. The distances and positions of the pole and the sailboats matched identically to the pattern normally associated with Buoys 4, 5 and 6.

- Therefore, the Captain did not detect anything unusual about the vessel's approach into Hyannis channel until, after adjusting the vessel's course to begin its entrance into the channel, he saw the breakwater in front of the vessel and administered the "panic stop" as trained.
- As far as we have been able to determine, all of the vessel's navigation and mechanical systems were properly functioning that evening. In addition, the Captain and the Pilot tested negative for alcohol and drugs.

Because our investigation is still continuing, I do not feel that it would be appropriate for me to speculate at this time about the cause of this incident. Suffice it to say that we are looking at all potentially contributing factors to this accident, including the actions and operational judgment of the vessel's Captain and Pilot. Both of them are well-respected and well-qualified officers with decades of experience; but they remain on administrative leave while we continue to investigate why, given their experience and abilities, they mistook the structure at the end of the Hyannis Harbor breakwater and two moored sailboats for Buoys 4, 5 and 6.

The *Iyanough* is expected to be out of service for 3-4 weeks for repairs and sea trials before being cleared by the Coast Guard to return to line service. We are looking at somewhere around July 21<sup>st</sup> as a likely return date based on where we are currently with the ongoing hull repairs.

In the meantime, we have chartered two different Seastreak vessels to help fill in with service between Hyannis and Nantucket during this week and over the weekend. The *Martha's Vineyard Express*, with a capacity of 149 passengers, will be providing service from our Hyannis and Nantucket terminals through this Thursday, June 29<sup>th</sup>. The vessel is not available on June 30<sup>th</sup>, so there will be no SSA high-speed service to Nantucket on Friday, although of course we will continue to have our traditional ferry service. We also have reached out to Hy-Line, and they have agreed, to provide extra high-speed service to Nantucket with the *Lady Martha* in lieu of using that vessel for its inter-island service. As a result, the overall capacity of all of the high-speed vessels between Hyannis and Nantucket this Friday will be higher than what was provided last year by the SSA and Hy-Line combined on the Friday before the July 4<sup>th</sup> holiday. On Saturday, Sunday and Monday, July 1<sup>st</sup> through the 3<sup>rd</sup>, we again have been able to charter Seastreak's *Wall Street* to provide service on a modified schedule from our Hyannis and Nantucket terminals. Passengers are encouraged to check our website for any schedule changes and updates at [www.steamshipauthority.com](http://www.steamshipauthority.com).

**APPENDIX B**  
**TO THE**  
**MINUTES**  
**OF THE**  
**WOODS HOLE, MARTHA'S VINEYARD**  
**AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**June 27, 2017**

**The Authority's Recognition of**  
**General Manager Wayne C. Lamson**

**Vice Chairman Robert F. Ranney:** We are going to have a recognition of Wayne C. Lamson's 48 years of service with the Steamship Authority, and we are going to start with the citation to Mr. Lamson that has been presented by the House of Representatives of the Commonwealth of Massachusetts:

Be it hereby known to all that:

The Massachusetts House of Representatives  
offers its sincerest congratulations to:

**Wayne C. Lamson**

in recognition of

Your 48 years of dedicated service to the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority.

Enjoy your retirement!

The entire membership extends its very best wishes and expresses the hope for future good fortune and continued success in all endeavors.

Given this 30th day of June, 2017  
At the State House, Boston, Massachusetts

By: Robert A. DeLeo  
Speaker of the House

Offered by: State Representatives  
Dylan Fernandes and  
David T. Vieira

**Mr. Ranney:** Not to be outdone ...

**Elizabeth H. Gladfelter:** The State Senate of the Commonwealth of Massachusetts also has presented this official citation:

Let it be known that  
the Massachusetts Senate  
hereby extends its Congratulations to:

**Wayne C. Lamson**

in recognition of

Your 48 years of steadfast and dedicated service as an employee of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority; and

Be it further known, that the Massachusetts Senate extends its best wishes for continued success; that this Citation be duly signed by the President of the Senate and attested to and a copy thereof transmitted by the Clerk of the Senate.

By: President of the Senate  
Stanley C. Rosenberg

Attest: Clerk of the Senate  
William F. Welch

Offered by: State Senator  
Virato M. DeMacedo

Date: June 20, 2017

**Marc N. Hanover:** Last but not least, this citation is from Governor Charles D. Baker and Lieutenant Governor Karen E. Polito:

**Wayne C. Lamson**

On behalf of the citizens of the Commonwealth of Massachusetts, I am pleased to confer upon you this Governor's Citation in recognition of your 48 years of dedicated and distinguished service as an employee of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority which includes 22 years as Treasurer/Comptroller and 13 years as General Manager. The Authority experienced unprecedented improvements in ferry service for the traveling public while you were at the helm.

This twentieth day of June in the Year 2017

Charles D. Baker  
Governor

Karyn E. Polito  
Lieutenant Governor

**Wayne C. Lamson:** I just want to thank everyone on the Board for all of their support and their confidence in me, especially over the past 13 years that I have been in this position. Although there has been some turnover on the Board over that period, I am so grateful for how well we have been able to work so well together and over those years to keep constantly improving almost every aspect of our operations. I will miss working with all of you, the Board the Port Council, the senior staff, and all of the employees. I wish you all the best, fair winds and following seas.

**Documents and Exhibits Used at the  
June 27, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 27, 2017 Meeting Memorandum, dated June 22, 2017.
2. Announcement at the Beginning of the Meeting.
3. Statement to be Read at the Beginning of the Meeting by Vice Chairman Robert F. Ranney.
4. Report of General Manager Wayne C. Lamson to the Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority on the Accident Involving the Authority's High-Speed Ferry, the M/V Iyanough, dated June 27, 2017.
5. Minutes of the May 23, 2017 Meeting in Public Session (draft).
6. Minutes of the June 15, 2017 Meeting in Public Session (draft).
7. Business Summary for the Month of April 2017.
8. Administrative Office Building PowerPoint Presentation.
9. Woods Hole Temporary Terminal Building PowerPoint Presentation, dated June 27, 2017.
10. Staff Summary #TPF-2017-6, dated June 21, 2017 – Proposed 2018 Nantucket Winter and Spring Operating Schedules.
11. Staff Summary #A-613, dated June 21, 2017 – 2018 Budget Policy Statement.
12. Staff Summary #A-614, dated June 21, 2017 – Approval of Changes in List of Authorized Check Signers.
13. Staff Summary #GM-687, dated June 22, 2017 – Approval of Proposed 2017 Wage and Salary Program for Non-Union Personnel.
14. Minutes of the Port Council's June 7, 2017 Meeting (draft).
15. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**July 18, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of July, 2017, beginning at 9:30 a.m., in the Community Room of the EMS Building at the Tisbury Fire Station, located at 215 Spring Street, Vineyard Haven, Massachusetts. Four Members were present: Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth. Chairman Moira E. Tierney of New Bedford was absent.

Port Council Chairman George J. Balco of Tisbury and Port Council member Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Woods Hole Terminal Project Manager William J. Cloutier; Operations Manager Mark K. Rozum; Oak Bluffs Terminal Manager Bridget Tobin; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Ranney announced that Martha's Vineyard Community Television, also known as MVTv, was making a video and audio recording of today's meeting in public session.

Recognition of Public Officials:

Mr. Ranney recognized Dukes County Commissioner Leon Brathwaite in the audience and thanked him for attending today's meeting.

Former Authority Employee David Sosnowski:

Mr. Davis observed that the Authority was starting today's meeting on a somber note, as word had been received of the passing of David Sosnowski at the age of 31. Mr. Davis noted that Mr. Sosnowski had worked for the Authority in Woods Hole as a terminal employee from 2012 through 2014, and that he also was the son of Ms. Tierney. Mr. Davis stated that everyone's thoughts and prayers were extended to Mr. Sosnowski's and Ms. Tierney's family and friends, and he asked everyone to join him in a moment of silence in David's memory.

Minutes:

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to approve the minutes of the Members' meeting in public session on June 27, 2017, with the corrections noted by Ms. Gladfelter of the percentage weight of her vote on pages 10 and 13 (from 35% to 10%).**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for May 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 1.9%), with 0.4% fewer passengers on the Martha's Vineyard route and 7.2% fewer passengers on the Nantucket route, more automobiles (up 1.6%) and more trucks (up 7.6%) during the month than it had carried during the same month in 2016. Mr. Davis also reported that the Authority's net operating income for the month had been around \$2,108,000, approximately \$43,000 higher than what had been projected, with operating revenues and other income \$66,000 higher than projected and operating expenses, fixed charges and other expenses \$23,000 lower than projected.

Mr. Davis further reported that, for the first five months of 2017, the Authority had carried fewer passengers (down 0.2%), more automobiles (up 0.9%) and more trucks (up 3.9%) than during the first five months of 2016, and noted that, during this same period, the Authority's total operating loss had been around \$6,617,000, approximately \$4,803,000 lower than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$603,000 higher than projected and its operating expenses, fixed charges and other expenses had been \$4,200,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

In response to a question from Ms. Gladfelter, Mr. Davis stated that the Authority may have carried fewer passengers in May 2017 than it did in May 2016 because there had been three more inches of rain that month than in the same month the prior year, but he noted that the number of passengers carried by the Authority in May 2016 had not been out of the ordinary.

Construction of the Authority's New General Offices:

Mr. Davis then reported that the construction of the Authority's new administrative office building was proceeding pretty much on schedule, and that the contractor had completed installing the Glulam (glued laminated timber) beams into the various floors and was currently closing in the roof and installing the siding. Mr. Davis also reported that, through the end of June, the Authority had paid the contractor \$3,727,000 towards the project's current estimated \$12,840,000 cost, and change orders to date have amounted to \$155,000, which is approximately 1.2% of the original contract price.

Mr. Cloutier then gave a PowerPoint presentation showing the progress of the construction of the Authority's administrative office building in the Palmer Avenue parking lot. In response to a question from Ms. Gladfelter, Mr. Cloutier stated that the building's siding was a sheathing and tape product called "ZIP System," which consists of both insulation and a rigid board in one piece and eliminates the need to wrap the building.

Temporary Woods Hole Terminal Building:

Mr. Davis then reported that the temporary Woods Hole terminal building was by and large completed, although the State building inspector still needed to issue the Authority an occupancy permit. Mr. Davis noted that, over the next six months, the Authority's Maintenance employees will be building out the food concession area inside the building and its MIS employees will be connecting computer servers, as well as communications and other technology systems. Through the end of June, Mr. Davis said, the Authority had paid the contractor \$1,613,000 towards the project's current estimated cost of \$2,625,000, and change orders to date had amounted to \$34,000, which was around 1.3% of the original contract price

Mr. Cloutier then showed several photographs of the completed temporary Woods Hole terminal building, including the bicycle racks at the end of the bike path. In response to a question from a member of the audience, Mr. Davis stated that the Authority will not be moving into the building until the fall.

Woods Hole Terminal Reconstruction Project:

Mr. Davis then reported that the design team for the Woods Hole terminal reconstruction project had completed the project's design development drawings and that the Authority had received an updated cost estimate for the project, although the staff had not yet had the opportunity to review it in any detail. Nevertheless, Mr. Davis said, the design team was still working toward a mid-September date for the issuance of an invitation for bids for the marine contract so that the contract can be awarded at the Authority's November meeting, and a separate invitation for bids for the contract to demolish the current General Office building was still expected to be issued in August so that the demolition contract can be awarded at the Authority's September meeting

Point-of-Sale Ticketing System Upgrade:

Mr. Davis reported that, because of problems that had been encountered scanning high-speed ferry passenger tickets on certain smart phones, the staff has transitioned to another type of barcode, known as the Aztec Code, and that the scanning equipment is now having a much higher success rate. Mr. Davis also reported that, during June 2017, the Authority had sold 297 RFID cards for the 46-ride commuter books on the Martha's Vineyard route and, thus far, 196

of those cards have been reloaded at the Authority's ticket offices and an additional 101 RFID commuter cards have been sold for the month of July. In addition, Mr. Davis said, the Authority had replaced five or six of the RFID commuter cards for various reasons, such as when customers reported losing their cards or punching holes in them.

Mr. Davis stated that the staff will now focus on rolling out RFID cards for the 10-ride adult ticket books, and allowing customers to reload their RFID cards online instead of having to go into the ticket office. Once the staff receives confirmation on the success of the Aztec Code ticket scanning, Mr. Davis said, the Authority will begin selling passenger tickets online for the traditional ferries, and then it will roll out the 10-ride senior and children ticket books.

In response to a question from Mr. Hanover, Mr. Davis stated that the staff was hoping that customers will be able to recharge their RFID cards online by the end of the month, but he stated that recharging them in the ticket office is a very quick and easy process. In response to a question from a member of the audience, who observed that the ticket scanning process has slowed down the boarding of passengers onto the ferries, Mr. Davis stated that the staff would be looking at various options to speed up the passenger boarding process based upon the Authority's actual experience of scanning tickets.

#### Design Alternatives for the Woods Hole Terminal Building:

Chris Iwerks and Lian Davis of Bertaux + Iwerks Architects then gave a presentation on the design alternatives for the Woods Hole terminal building that will be constructed during Phases 5 and 6 of the Woods Hole terminal reconstruction project. Mr. Iwerks first reviewed the site plan for the reconstructed terminal, and noted that the location for the new terminal building is pretty much fixed due to all of the terminal's other operational requirements. Mr. Davis then reviewed the building's interior floor plans, which have pretty much been developed as well. By contrast, Mr. Iwerks noted that the design team is still considering six different concepts for the building's roof line and the cover that will extend over the adjacent pedestrian plaza, and he presented different perspectives of each of them, as follows:

Concept A      A flat roof with an open-style pergola cover extending over 40 feet of the plaza;

Concept B      A shed roof and cover extending over 40 feet of the plaza;

- Concept C      A saltbox roof and cover extending over 40 feet of the plaza;
- Concept D      A saltbox roof and cover extending over 60 feet of the plaza;
- Concept E      A saltbox roof with an open-style pergola cover extending over 40 feet of the plaza; and
- Concept F      A saltbox roof with sloped canopy cover extending over 40 feet of the plaza.

In response to a question from Mark Snider, who observed that customers arriving on the Authority's shuttle buses will have to carry their luggage a relatively long distance to where the ferry-bound luggage carts will be located close to the water, Messrs. Iwerks and Rozum stated that the Authority will look into ways to improve that situation, perhaps by having luggage carts for both customers disembarking the vessels and customers boarding the vessels located at the western side of the plaza.

Ms. Gladfelter then stated that she liked how various elements of each of the design concepts for the terminal building tie into Woods Hole village, and she said that she thought the Falmouth Historical Commission will like that as well. In this regard, Ms. Gladfelter noted that the Commission is starting a study to reevaluate the entire Woods Hole Historic District. But Ms. Gladfelter stated that she thought the terminal will need racks for more than 100 bicycles, observing that currently there are racks for more than 100 bicycles and that they are not enough. Ms. Gladfelter also cautioned that it is sometimes very windy in Woods Hole and that, while she liked the enclosed plaza, it could get very windy in there. After Mr. Iwerks confirmed that there will be canopies over the passenger loading piers, Ms. Gladfelter stated that she liked the use of beams in the design.

In response to another observation by Ms. Gladfelter that Woods Hole residents will be interested in the energy conservation features of the building, Mr. Iwerks noted that the building will have a high level of energy performance due to the requirements of the energy conservation code. Mr. Iwerks also noted that the designers will continue to look into what additional energy conservation measures can be incorporated into the building, which will not be constructed until Phase 5 of the project, including the possible installation of solar panels on the roof. In this regard, Mr. Iwerks noted that the building has been designed so that there will be no mechanical equipment on the roof, making it possible to install solar panels there.

In response to a question from a member of the audience, Mr. Iwerks stated that the elevation of the first floor of the current terminal building is approximately 5-1/2 feet above sea level, and that the first floor of the new terminal building will be 13 feet above sea level. Mr. Iwerks also noted that the new state building code ordinarily would require the building to be one or two feet higher, but that the Authority plans to apply for a variance to build it at the lower elevation and, to respond to concerns about the potential flooding of the building, has designed the first four feet of the building to be flood proof.

Lian Davis also noted how challenging it has been to design accessible slopes for pedestrians around the building, as the property's perimeter next to the intersection of Railroad and Luscombe Avenues will still be five to six feet above sea level. In this regard, Mr. Davis stated that all of the regrading of the site will be done as carefully as possible, and ramps will be needed only between the plaza and the terminal building, and on the northern side of the plaza toward Railroad Avenue.

In response to a question from a member of the audience, Robert Davis stated that the cost of the temporary terminal building is around \$2,700,000. In this regard, Mr. Davis noted that the temporary terminal building is necessary because the current terminal building has to be demolished at the beginning of the project and the new terminal building, which will be located closer to the ferry slips, cannot be constructed until after the marine construction work is completed. Therefore, Mr. Davis said, constructing a temporary terminal building was the Authority's solution for providing for its customers' needs during the intervening five or six years. Mr. Davis further stated that, as the project progresses, the Authority will investigate whether it has another use for the building after the permanent terminal building is completed, and he noted that the Town of Falmouth has expressed interest in it as well.

After Ms. Gladfelter stated that she hoped all of the windows would survive in the event of a hurricane, Mr. Iwerks assured her that they will all be required to pass "large missile" tests designed to measure their resistance to wind-borne debris during hurricanes. Mr. Davis then stated that the next step in the design process for the terminal building would be to present the alternative concepts to the Falmouth Historical Commission at their next meeting on August 1, 2017 to obtain their input as well. A member of the audience then commented that he thought the saltbox design was a very nice design for the building.

Feasibility of Barging Municipal Solid Waste from Martha's Vineyard:

Mr. Davis recounted how, earlier this year, the Authority had engaged the services of Tetra Tech, Inc. to investigate the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford and how, in April 2017, their consultants made site visits to the Oak Bluffs Transfer Station and Packer Marine's Vineyard Haven facilities to discuss the logistics of such a barging operation and requested information that they need to consider as they prepare their analysis. Mr. Davis then reported that Tetra Tech still has not received all of the information it requested during those site visits and, as a result, it will probably be several more months before it will be able to issue its report, assuming that it promptly receives the information it requested.

Feasibility of a Freight Ferry Service  
Between New Bedford and Martha's Vineyard:

Mr. Davis then recounted how, also earlier this year, the Authority engaged the services of Craig Johnson of Flagship Management to investigate the feasibility of having a private vessel operator provide freight service between New Bedford and Martha's Vineyard. Mr. Davis then reported that Mr. Johnson has reviewed properties on the New Bedford Harbor waterfront to determine which ones might be suitable for use as a freight ferry terminal and that he also was talking with the Department of Conservation and Recreation about the structural elements of the New Bedford State Pier. In addition, Mr. Davis said, Mr. Johnson has begun contacting the Authority's freight customers to see what their interest might be in taking a freight ferry service between New Bedford and Martha's Vineyard, and that the staff hopes to have his report within the next month.

In response to a request from Mr. Jones, Mr. Davis stated that he would ask Mr. Johnson to present his report personally at an Authority meeting.

Proposed 2018 Winter and Spring Operating Schedules:

Mr. Sayers reported that the staff was still working on their draft report regarding whether the Authority should maintain its 2018 Winter and Spring Operating Schedules for the Martha's Vineyard route as originally proposed or whether it should make any modifications to the proposed schedules in light of the testimony that has been submitted about those schedules over the past month, but that the staff hoped to have the draft report finished in time for it to

be considered by the Port Council and the Members at their regularly scheduled meetings next month. In addition, Mr. Sayers said, the staff was advertising the Authority's proposed 2018 Summer Operating Schedules this week so that the deadline for public comment would be in late August and, if necessary, a public hearing could be scheduled on those proposed schedules in early September. Mr. Sayers noted that the Authority had been criticized for asking the Port Council to recommend proposed schedules to the Members prior to the end of previous public comment periods and that, this time, the Port Council will not be asked to recommend any proposed 2018 Summer Operating Schedules until their meeting on September 13, 2017, well after the deadline for public comment will have passed.

Mr. Sayers then stated that the staff was working on the possibility of eliminating the 5:30 a.m. freight trip from Woods Hole during the 2018 Winter and Spring Operating Schedules, in part by berthing the freight boat overnight in Vineyard Haven during the spring schedule, but that the 6:00 a.m. trip would probably still operate as it has in the past. Mr. Sayers further stated that the staff was having more difficulty eliminating the 5:30 a.m. freight trip during the summer schedule, although there might be a possibility of eliminating it during the fall. During the summer, Mr. Sayers said, the Authority needs to berth a freight boat in both Vineyard Haven and Woods Hole and both of those freight boats need to leave at 5:30 a.m. Mr. Sayers stated that the staff was concerned about the impact that delaying those freight trips would have on other traffic later in the morning, as well as what impact that other traffic would have on the ability of the Authority's freight shippers to make their deliveries.

In response to a question from Ms. Gladfelter, Mr. Sayers stated that the staff hoped to be able to present their recommendations to both the Port Council and the Members at their meetings next month so that the 2018 Winter and Spring Operating Schedules can be approved at the August 15, 2017 Authority meeting. Mr. Sayers noted that those schedules needed to be approved as soon as possible so that the Authority can process bulk freight reservations for those schedules. Mr. Hanover then observed that there will be some very upset freight shippers if the Authority were to eliminate the 5:30 a.m. freight trip during the summer. Mr. Sayers agreed and noted that, while the staff was trying to eliminate that trip during the summer, the Authority also has to consider what impact such a change would have on those freight shippers and the island's need to have goods delivered early during the day.

Tisbury Selectman Melinda F. Loberg then asked the Members to consider changing its proposed 2018 Summer Operating Schedules so that more passenger-carrying vessels operate to Vineyard Haven between 9:00 a.m. and 5:00 p.m., which is when she said most day trippers and other foot passengers

travel. Currently, Ms. Loberg said, the combined passenger capacities of ferries to Oak Bluffs exceeds the combined passenger capacities of ferries to Vineyard Haven during those hours by 2,000 passengers per day, and she observed that having more foot traffic from 9:00 a.m. to 5:00 p.m. was very important in trying to help Vineyard Haven's growing business district. Ms. Loberg observed that another issue was the designation of certain trips as hazardous cargo trips, which result in a 2-1/2 hour gap of passenger-carrying ferries to Vineyard Haven between 9:30 a.m. and 12:00 noon.

Proposed 2018 Summer Operating Schedules:

Mr. Davis then presented the Members with the preliminary versions of the staff's proposed 2018 Summer Operating Schedules, which he noted will be advertised later that week in local newspapers so that the public has at least 30 days to comment on them before the Port Council is asked to recommend any schedules at their meeting on September 13th. Mr. Davis stated that the staff's proposed 2018 Summer Operating Schedules are essentially the same as the schedules the Authority is operating this summer except for their beginning and ending dates and the periods when certain vessels are in line service or in repair, and that the only substantive change the staff is proposing is during the 2018 Late Summer Operating Schedule for the Martha's Vineyard route, when the staff is proposing to triple-crew the *M/V Sankaty* instead of double-crewing it and having it berth it overnight in Vineyard Haven. Mr. Davis observed that this will allow the vessel to operate up to seven round trips a day, instead of only four trips a day, and will provide additional sailing times from Vineyard Haven during the early morning.

Update on the Repairs to the M/V Iyanough:

Mr. Davis then reported that the repairs to the *M/V Iyanough* had been completed this past week, that the Coast Guard inspected the vessel yesterday, and that it returned to service this morning, leaving Hyannis on its first trip for Nantucket at 8:15 a.m. Mr. Davis thanked everyone who worked so hard and provided so much help over this past month to bring the *M/V Iyanough* back into service much more quickly than the Authority had thought possible and to provide substitute fast ferry service during the interim, specifically including Fairhaven Shipyard (and Kevin McLaughlin), Gladding Hearn Shipbuilding (and the Duclos family), Tucker Roy Marine Towing (and Conrad Roy), Frogman Divers, AGM Marine Contractors, Bardwell Electronics, Total Welding Supply,

Fabco Engineering, Surfaceworx, Pierce Aluminum and Downwind Dockside Service.

Mr. Davis also thanked the vessel's crewmembers, including Captain Bruce Malenfant, Chief Engineer John Burke, all of the crewmembers assigned to the vessel during its repair, and the maintenance staff. In addition, Mr. Davis noted the efforts of Port Engineer Stephen Clifford, Port Captain Charles G. Gifford and Director of Engineering and Maintenance Carl R. Walker, all of whom were riding on the vessel today. Finally, Mr. Davis expressed the Authority's gratitude to SeaStreak for providing the charters that they were able to arrange during the time that the *M/V Iyanough* was out of service. Mr. Davis noted that, in particular, SeaStreak's President, Jim Barker, and its New Bedford General Manager, John Silvia, had worked tirelessly with Mr. Rozum on the availability and scheduling of those charters.

Treasurer/Comptroller's Report:

Mr. Murphy then provided the Members with an update on the Authority's financial position through June 2017, noting that passenger traffic had been lower that month than in June 2016, due to the *M/V Iyanough* being out of service after its accident on June 16th, and that both automobile and truck traffic had been greater that month than in June 2016. Mr. Murphy also reported that the Authority's net operating income for June 2017 was expected to be around \$3,400,000, or approximately \$130,000 lower than budgeted, with passenger revenue coming in around \$667,000 lower than budget forecasts, again due to the *M/V Iyanough* being out of service. Mr. Murphy then stated that operating expenses were also \$550,000 lower than projected, primarily due to vessel fuel expenses coming in \$120,000 below budget and maintenance expenses coming in \$440,000 below budget, although he noted that most of that variance will end up being a timing issue because a good portion of the \$630,000 of dry-dock repairs for the *M/V Gay Head* which had been budgeted but not incurred that month will be incurred in subsequent months.

Mr. Murphy then reported that the Authority's net operating loss for the first six months of 2017 was expected to be around \$3,200,000, approximately \$4,700,000 lower than where the staff had expected the Authority to be at this point. In response to a question from Mr. Jones, Mr. Murphy stated that the Authority historically begins to make a year-to-date surplus around the last week of July or the first week of August, and he was hopeful that would be the situation this year as well.

Recharging Station for Electric Cars:

Mr. Hanover announced that he had received a letter from a Martha's Vineyard resident who regularly parks in Woods Hole and has asked whether the Authority could install a charging station for electric cars at the terminal because he has now purchased one. Mr. Hanover asked Mr. Davis to keep this in mind during the design of the reconstructed Woods Hole terminal and suggested that a charging station might be located in the area of the freight shed. In response, Mr. Rozum stated that coincidentally the Authority had ordered a charger for the Woods Hole terminal last week and that it will charge two cars.

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed many of the matters that the Members had considered that day, including the Authority's capital projects and some of the problems being encountered with the new ticket scanners. Mr. Balco also reported that Bertaux + Iwerks had provided the Port Council with the same presentation that the Members had received today on the alternative design concepts for the new Woods Hole terminal building, and that Mr. Davis had reported on the progress of the Authority's investigation into the possibility of barging municipal solid waste from Martha's Vineyard. Finally, Mr. Balco noted that, in addition to reviewing both the proposed 2018 Summer Operating Schedules and the results of the public hearing on the proposed 2018 Winter and Spring Operating Schedules, the Port Council had discussed the *M/V Iyanough* accident and were informed that a good portion of the cost to repair it will be covered by insurance.

Public Comment:

Vineyard Haven resident Peter Stern stated that he does not appreciate the *M/V Island Home* blowing its whistle so loud and so long when it departs Vineyard Haven at 7:00 a.m., and he questioned whether it is necessary, as the *M/V Martha's Vineyard* does not blow its whistle when it leaves at 6:00 a.m. Therefore, Mr. Stern asked whether the whistle could be tempered so that it blows at a lower volume. In response, Mr. Davis stated that it was his understanding that the United States Coast Guard requires the whistle to be operated, although he said the Authority would look into how long they need to blow it. However, Mr. Jones noted that the Coast Guard's requirements also

dictate the duration of the whistle's blast, so he doubted that the Authority will have any flexibility to reduce either its volume or its duration.

Somerset resident Phil Braniff thanked the Authority for the use of the Vineyard Haven dinghy dock, which he said he uses when he shops at Stop & Shop. But Mr. Braniff noted that, for the last several years he has discussed a problem with the dock with the Vineyard Haven Terminal manager, namely, that there are two missing planks along the dock that allow boats to go under the dock at low tide but result in them being held under the dock and sinking when the tide rises. Therefore, Mr. Braniff asked whether the Authority could place planks in those open positions and eliminate the problem.

Ms. Loberg then stated that Tisbury was quite grateful for the Authority's involvement in investigating how the Vineyard Haven arrival area can be improved, and she announced that the Town now has several new plans that have emerged from those conversations. However, Ms. Loberg also noted that the Authority was not using the new vessel sewage pump-out system it had installed at its Vineyard Haven terminal on a regular basis, and she asked what the Authority's plans were with respect to using that system. Mr. Davis stated that it is up to each vessel's Captain to decide whether to pump out at Vineyard Haven or at Woods Hole, depending upon what they have on board, so he surmised that it may just be a timing issue. Nevertheless, Mr. Davis expressed the Authority's appreciation for Tisbury's assistance that allowed the Authority to install a pump-out system there.

Mr. Braniff then stated that someone else had asked him to mention that the Authority's fence alongside Vineyard Haven harbor was not tall enough to prevent children from climbing over the fence onto a cement wall, and that there have been instances of children falling off.

Richard Toole of the Martha's Vineyard Commission then asked when the Authority was going to start the process for increasing the elevation of its Vineyard Haven and Oak Bluffs terminals, observing that they become almost impassable whenever there is a heavy rain. After Mr. Davis stated that the Authority's current focus is on the Woods Hole terminal, Mr. Balco noted that it was a Tisbury problem, not an Authority problem, and Ms. Loberg observed that, indeed, it was a problem for the entire Commonwealth of Massachusetts.

Then, at approximately 11:14 a.m., Mr. Ranney entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Mr. Ranney announced that these matters included:

- anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis; and
- the potential acquisition of property on Nantucket;

he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Mr. Ranney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to anticipated litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
July 18, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 18, 2017 Meeting Memorandum, dated July 13, 2017.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the June 27, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of May 2017.
5. Administrative Office Building PowerPoint Presentation.
6. Photographs of the Woods Hole Temporary Terminal Building.
7. Bertaux + Iwerks Architects' Schematic Design Presentation of the Woods Hole Terminal Building Concepts, dated July 6, 2017.
8. Staff Summary #TPF-2017-6, dated June 21, 2017 – Proposed 2018 Nantucket Winter and Spring Operating Schedules.
9. Minutes of the Port Council's July 6, 2017 Meeting (draft).
10. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**August 15, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of August, 2017, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Woods Hole Terminal Project Manager William J. Cloutier; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on July 18, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

In response to a question from Ms. Gladfelter, Mr. Davis stated that the missing planks along the dinghy dock at the Vineyard Haven terminal that had been mentioned at the July 18, 2017 meeting had been replaced, but that the staff had decided not to increase the height of the fence that also had been mentioned at the meeting. Mr. Davis noted that kids were known to jump over that fence and the staff concluded that kids would still try to jump over it even if it were made higher and, as result, would be more likely to be injured.

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for June 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 3.6%) during the month than it had carried during the same month in 2016, with 1.1% more passengers on the Martha's Vineyard route and 20.6% fewer passengers on the Nantucket route. Mr. Davis also reported that, while the number of passengers carried by the Authority on its traditional ferries on the Nantucket route had increased by 1.9%, the number of passengers carried on its high-speed ferry had decreased by 34.6%. Further, Mr. Davis reported that the Authority had carried more automobiles (up 1.8%) and more trucks (up 4.8%) during the month than it had carried during the same month in 2016.

Mr. Davis also reported that the Authority's net operating income for the month had been around \$3,638,000, approximately \$70,000 higher than what had been projected, with operating revenues and other income \$363,000 lower than projected, due primarily to a \$486,000 decrease in passenger revenue, and operating expenses, fixed charges and other expenses \$432,000 lower than projected, primarily due to a timing issue. Specifically, Mr. Davis said, the dry-dock expenses for the *M/V Gay Head* had been \$632,000 lower than what had been budgeted for that month because the vessel was dry-docked later in the

year than originally anticipated. Mr. Davis also noted that, while the Authority had spent \$180,000 in charter fees for SeaStreak's substitute service for the *M/V Iyanough* in June 2017, its vessel fuel oil expenses had been \$120,000 lower than budgeted due to combination of lower-than-budgeted fuel prices (\$1.72 per gallon compared to the budgeted price of \$1.99 per gallon) and decreased fuel consumption as a result of the *M/V Iyanough* being out of service during the latter half of that month.

Mr. Davis further reported that, for the first six months of 2017, the Authority had carried fewer passengers (down 1.2%), more automobiles (up 1.2%) and more trucks (up 4.1%) than during the first six months of 2016, and noted that, during this same period, the Authority's total operating loss had been around \$2,979,000, approximately \$4,872,000 lower than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$240,000 higher than projected and its operating expenses, fixed charges and other expenses had been \$4,632,000 lower than anticipated due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Construction of the Authority's New General Offices:

Mr. Davis then reported that in July the contractor for the Authority's new administrative office building had to stop installing the sheathing for the building's siding because there was some deflection in the material when it was fastened to the steel framework. Mr. Davis stated that a representative of the manufacturer, Huber Zip System, later agreed that the material was not performing as it should, and that the decision was made to replace the sheathing with another, thinner Huber product and to apply it to plywood or another OSB (oriented strand board) structure. As a result, Mr. Davis said, completion of the building will be delayed by four to five weeks, although the staff was attempting to see if there are any ways to accelerate the remaining work.

Mr. Davis further reported that, as a result of the delay in the completion of the building, the staff was planning to move into the building on February 8, 2018 instead of the previously planned date of December 28, 2017. Mr. Davis stated that the staff did not want to move any computer equipment in January 2018 to make certain that the reservations system has a stable platform when the Authority begins accepting Headstart reservations (and reservations from the general public) that month for the 2018 summer season. Ms. Gladfelter observed that the delay in moving out of the existing General Office building would

similarly delay the demolition of that building, which was scheduled to begin this winter. Mr. Davis agreed, and noted that the delay will similarly affect how much of the reconstruction project's marine work will be able to be completed before the beginning of the 2018 summer season. In this regard, Mr. Davis stated that the staff was still evaluating what impact the delay in the completion of the new administration building will have on all of those other schedules.

After Mr. Davis reported that the building's current cost was \$12,884,000, which represented the \$12,687,000 original contract amount plus \$197,000 in change orders, Messrs. Cloutier and Sayers gave a PowerPoint presentation showing the progress of the construction of the building in the Palmer Avenue parking lot.

Temporary Woods Hole Terminal Building:

Mr. Davis then stated that, as he had reported at last month's meeting, Triumph Modular has by and large completed the Authority's temporary Woods Hole terminal building, but that some final punch list items still need to be resolved before the State building inspector will issue an occupancy permit for the building. Mr. Davis noted that the main issue was making certain that the Authority has an acceptable communication modem for the fire alarm system. Mr. Davis noted that the current cost of the building was \$2,624,688, which represented the \$2,591,182 original contract amount plus \$33,506 in change orders. Meanwhile, Mr. Davis said the Authority's Maintenance employees have begun to build out the food concession area inside the building and its MIS employees are working to connect the computer servers, phone system, and other technology systems so that the Authority can move into the building sometime in the fall.

Point-of-Sale Ticketing System Upgrade:

Mr. Davis then reported that the staff was continuing to talk with Skidata about using a "web.wallet" app as an additional optional boarding pass for the Authority's passengers, but that meanwhile the Authority has been issuing RFID cards for:

- 46-ride commuter books for the Martha's Vineyard route since June;
- 10-ride adult and senior RFID cards for the Martha's Vineyard for the past three weeks; and

- 10-ride adult and senior RFID cards for the Nantucket route, as well as 10-ride child RFID cards for both routes, for the past two weeks.

Mr. Davis further reported that the Authority had issued around 300 46-ride commuter books for the Martha's Vineyard route each of the last three months and that, in August, 78% of those cards had been re-loads. In addition, Mr. Davis said, the Authority had sold nearly 2,600 10-ride RFID cards, and customers already had reloaded 5% of those cards. Mr. Davis also stated that the staff anticipated that customers will be able to begin reloading those RFID cards on the Authority's website next week. However, Mr. Davis noted that online sales of passenger tickets may not start until later in the fall because the staff still had to confirm the success rate of the scanning of passenger tickets that have the Aztec Code.

Mr. Hanover recounted how he had recently watched Authority passengers scanning their own tickets and then handing them to the Purser before boarding the ferry, and he asked whether that was going to continue. Mr. Davis stated that it was and that, while the staff initially had thought that there would be no need for the Authority to collect those scanned tickets, they now have concluded that it would better to collect them to make certain they are not sold or given to other customers who do not know that they already have been scanned and then try to use them when boarding a ferry. But Mr. Davis noted that, on busier trips, the Authority can simply collect the tickets while people board and then scan them at a later time.

#### Woods Hole Terminal Reconstruction Project:

Mr. Davis then reported that the design team for the Woods Hole terminal reconstruction project was completing some revisions to the project's design development drawings for the waterside portion of the project and that, while the staff had some concerns about whether the current design, which includes canopies on both piers, provided enough shelter for the Authority's passengers, Bertaux + Iwerks had informed them that installing additional or larger canopies between the ferry slips would be problematic due to slope elevation changes and conflicts with structures under the surface (such as whales and tiebacks). As a result, Mr. Davis said, the staff was considering whether more shelter can be provided by covering the pedestrian plaza that will be on the north side of the new permanent terminal building.

Mr. Davis also noted that the Authority recently had received the most recent cost estimate for Phases 1 through 4 of the project (the marine work) after the design development process and that it had come in at \$51,434,000, which was around 0.53% lower than the cost estimate for these four phases that had been prepared for the project's feasibility study in August 2014, after adjusting it for escalation. Mr. Davis stated that the estimate was being provided to the Members for informational purposes only and that they did not need to take any action unless they wanted to make any significant design changes to the marine portion of the project. Finally, Mr. Davis reported that the design team was still working toward a mid-September date for the issuance of an invitation for bids for the marine contract so that the contract can be awarded at the Authority's November meeting, as well as a separate invitation for bids for the contract to demolish the current General Office building, which was being issued this week so that the demolition contract can be awarded at the Authority's September meeting.

In response to a question from Mr. Hanover as to whether solar panels could be placed on the canopies that are going over the piers, Mr. Cloutier stated that he would ask the question to the architects. Mr. Jones then stated that the design of the canopies did not catch his eye, saying that he preferred a traditional roof with its peak in the center that would blend in with the terminal building instead of looking futuristic. But Mr. Davis noted that the center support system being used for the canopies lends itself to an inverted roof and that a traditional roof would require more support along the piers' outer edges. After Mr. Davis also observed that the canopies' inverted roof opened up more of the vista when looking from the terminal site over the water, Ms. Gladfelter stated that she preferred the canopies' current design.

Approval of Modifications to the Authority's  
2018 Winter and Spring Operating Schedules:

Mr. Davis reported that, following the public hearing on the Authority's proposed 2018 Winter and Spring Operating Schedules that had taken place on June 20, 2017, the staff had provided the Members with a draft report explaining the Authority's reasons for making certain modifications to those schedules for the Martha's Vineyard route, and he asked that the Members issue the report on those schedules in accordance with Section 15A of the Authority's Enabling Act. In this regard, Mr. Davis stated that the staff had reviewed the concerns expressed at the public hearing or in comments submitted to the Authority and had concluded that some modifications to the originally proposed schedules were warranted, and that those modifications were described in the draft report.

Mr. Davis observed that the staff's principal recommended modifications to the proposed 2018 Winter and Spring Operating Schedules for the Martha's Vineyard route were the following:

- during the 2018 Winter Operating Schedule (January 5 through March 14, 2018), changing the departure time for the first freight trip from Woods Hole from 6:15 a.m. to 6:30 a.m.; and
- during the 2018 Spring Operating Schedule (April 2 through May 10, 2018), berthing the freight boat overnight at Vineyard Haven instead of Woods Hole so that its first departure from Vineyard Haven would be at 5:30 a.m. and its first departure from Woods Hole would be at 6:30 a.m. instead of 5:30 a.m.

After Mr. Davis noted that the Port Council, at their meeting earlier this month, had voted unanimously to recommend that the Members issue the report as drafted and approve the proposed modifications to those schedules, he noted that, at next month's meeting, the staff will be asking the Members to approve the Authority's 2018 Summer Operating Schedules. Mr. Davis also informed the Members that, over the next few weeks, the Authority will be encountering some operational issues due to the Martha's Vineyard Agricultural Fair that may also affect the 2018 Summer Operating Schedules. Specifically, Mr. Davis said, livestock for the fair have to be transported on open-deck vessels and, while they were transported last summer on the *M/V Woods Hole*, this summer the *M/V Nantucket* is instead operating on that route. In addition, Mr. Davis stated that the staff did not anticipate that the Authority would need to transport any Secret Service vehicles again this year, but that they had recently learned that former President Obama is vacationing again on Martha's Vineyard this summer and that his vacation there will once again coincide with the Agricultural Fair. Accordingly, Mr. Davis said, the Authority will be crewing the *M/V Sankaty* to provide some additional trips on the Martha's Vineyard route to transport the livestock and take care of those additional travel needs, and more additional trips may be required during certain peak travel periods as well.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to issue the Authority's report on the proposed 2018 Winter and Spring Operating Schedules in the form accompanying Staff Summary #L-469, dated August 8, 2017, and to also approve the 2018 Winter and Spring Operating Schedules for the Martha's Vineyard route in the form attached to that staff summary that make certain modifications to the original proposed schedules for the reasons explained in the report.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ms. Gladfelter than thanked everyone who worked on the report, observing that it was quite thorough and that she appreciated all of the work that went into it. Ms. Gladfelter also stated that she was impressed by the number of people who take the 6:00 a.m. ferry from Woods Hole because they have jobs on Martha's Vineyard that start at 7:00 a.m., and she observed that the 6:00 a.m. ferry enables those people to work on the island while living on the mainland.

Mr. Jones also noted that, while he always sympathizes with a community when they have noise problems, he was impressed by how the Authority has listened to the residents' concerns and the amount of mitigation the Authority has undertaken to solve those problems. In this regard, Mr. Jones observed that the Authority has done as much as it possibly can, and certainly has shown good faith in its efforts to address those problems.

Feasibility of a Freight Ferry Service  
Between New Bedford and Martha's Vineyard:

Mr. Davis recounted how, earlier this year, the Authority had engaged the services of Craig Johnson of Flagship Management to investigate the feasibility of having a private vessel operator provide freight service between New Bedford and Martha's Vineyard. Mr. Davis then reported that Mr. Johnson had issued his initial report on the possibility of such a freight service and was at the meeting that day to present his preliminary findings. Mr. Davis also noted that, once Mr. Johnson finalizes his report, the staff felt that the next step should be to discuss the subject with the various stakeholders to determine what requirements they may have for this concept to move forward. For example, Mr. Davis said, if the New Bedford State Pier is going to be used for the service, it will have to be determined how its repairs will be funded. In this regard, Mr. Davis noted that, in their feasibility study last year, the staff had taken the position that the Authority should not bear any of the additional costs in order to provide service from New Bedford.

At this time, New Bedford Port Council member Edward C. Anthes-Washburn joined the meeting.

Mr. Johnson then recounted how, in 2000, he had operated the Authority's pilot freight service between New Bedford and Martha's Vineyard when he was working for Seabulk and how the service had consisted of two round trips per day for two years. As a result, Mr. Johnson said, he got to know the freight shippers pretty well and had a good basis on which to start his report.

Mr. Johnson stated that the first thing he did with respect to his report was to review the existing facilities in New Bedford, including the newly built New Bedford Marine Commerce Terminal and the former Shuster property just north of it. Mr. Johnson stated that the southern end of the Marine Commerce Terminal that could be used for a freight service was not in a good location for a RORO (roll-on/roll-off) facility, as it would not be able to accommodate any vessels longer than 150 feet; and that, while the former Shuster property has good access to Route 18, building a facility there would require permitting, infrastructure and a vehicle loading ramp, which he concluded would prevent the facility from being operational next year.

Accordingly, Mr. Johnson stated that he focused on the New Bedford State Pier, which is the facility from which he operated in 2000 and is pretty much the same as it was then. However, Mr. Johnson noted that the problem is that it has not had much maintenance since then and that, while the vehicle loading ramp and the loading facility are in fine condition, the area of the pier used for truck access needs to be repaired and strengthened with around 50 new piles, at a cost of \$3,000 to \$8,000 apiece, and the entire truck area would need around 150 new piles in order to be used. Ultimately, Mr. Johnson said, he discussed with Mr. Anthes-Washburn and Jessica Shahdan, Pier Operations Manager of the State Pier, what it would cost to repair that part of the pier, and they all agreed that \$2,000,000 appeared to be a reasonable estimate.

But Mr. Johnson stated that he had not attempted to determine who would pay for those repairs, although he observed that if the Commonwealth of Massachusetts worked with the City of New Bedford as it did in 2000, the repairs probably could get done in three to four months. Regardless, Mr. Johnson said, the State Pier is the most usable facility in New Bedford for use as a freight terminal, the necessary repairs could be completed within a reasonable period of time, and the 100-foot vehicle loading ramp is ample for freight trucks, which can literally drive up to the terminal at 50 miles per hour on Route 18. Further, Mr. Johnson noted that only one of the potential freight trips would be scheduled close to one of SeaStreak's current fast ferry trips.

Mr. Johnson reported that he then reviewed potential ferry operators for the route by contacting ten to twelve companies and asking them whether they would respond to a request for proposals to provide the service. Mr. Johnson stated that there is no question that there is interest, and that the potential operators' questions were:

- How long would a contract or license be for?
- How would reservations be handled?
- How many round trips per day?
- Are there any limitations on the number of hours operated?
- Would an operator be able to use the Authority's Vineyard Haven terminal?
- When would the service start?

Mr. Johnson stated that, in general, if the Authority were to issue a request for proposals for the service, he anticipated that three or four operators would respond to that request, and that the type of vessel that would work best for this route would be a supply boat, most of which have decks that are almost 190 feet long and 50 feet wide and, as a result, can accommodate twelve freight trucks (in four lanes across the deck and three trucks in each lane). Mr. Johnson also observed that Gulf businesses were hurting at the moment, so much so that one can figuratively walk on tied-up boats from one end of the Gulf to the other, and that those businesses will probably continue to hurt for some time to come. As a result, Mr. Johnson said, a contract that would allow them to make use of a vessel for five to ten years would be very attractive to them.

Mr. Johnson stated that there is enough information available to the vessel operators for them to prepare proposals to provide the service, noting that he had reviewed reports that had been prepared in the late 1990s and that most of the information they contain is still pretty accurate. Specifically, Mr. Johnson said, although there have been some shifts in freight distribution centers in the area, roughly one-half of the Authority's freight traffic still goes by New Bedford. Mr. Johnson also observed that each operator's proposal would be based upon its own economics, recounting how, in 2000, he had operated two round trips per day because a third round trip would have required the crew to work more than 12 hours per day, which is the maximum number of hours the United States Coast Guard allows crewmembers to work each day.

Mr. Johnson then reported that the most interesting part of his report was his conversations with the Authority's freight shippers, with whom he had not talked for a long time. Mr. Johnson stated that he talked with the shippers who are responsible for 85% of the Authority's freight reservations and that he did

not have a negative conversation with any of them. Indeed, Mr. Johnson said, even those shippers who stated that they would not use the service from New Bedford were still in favor of it because they recognized that they would get better reservations out of Woods Hole.

Mr. Johnson stated that shippers said that they would be more interested in the service if they were able to drop off their trucks at one terminal and pick them up at the other so that their drivers did not have to ride on the ferry. But Mr. Johnson noted that this did not include hazardous cargo shippers because Coast Guard regulations require drivers of trucks carrying hazardous cargo to accompany their vehicles.

Mr. Johnson also noted that one basis of his conversations with the freight shippers was that they would be charged the same fare as the Authority charges to travel from Woods Hole, and that some of the shippers said that, if there were a steady and reliable service from New Bedford, they would even consider changing their distribution points. In addition, Mr. Johnson said, the shippers were interested in what types of sailing schedules would be offered, as they need enough time on the island to make their deliveries and then want to make their return trip to the mainland. Mr. Johnson stated that hazardous cargo shippers also expressed interest in the service if the vessel were able to pick them up for their return trip an hour or 90 minutes after they arrive on the island, which could be accomplished by having the vessel stay off the island a short time before returning to Vineyard Haven, so long as it was still able to make two round trips each day within 12 hours.

Mr. Johnson stated that, ultimately, there is definitely some benefit to the Authority's freight shippers from using a service from New Bedford, which has a large amount of freight traffic going by it, and that what it is all going to come down to is finding the right operator with the right schedule who is willing to cater to the freight shippers to get their interest. Mr. Johnson stated that he also talked for four or five shippers in person and talked about their individual needs. Based upon those conversations, Mr. Johnson said, it appears that the first trip from New Bedford each day would be full, but that the operator would have to work to fill the second trip that leaves later in the morning.

Mr. Jones thanked Mr. Johnson for his report, noting that he has a particular interest in this subject because it was a hot issue when he first became a Port Council member. Indeed, Mr. Jones said, he was interested in the results of the Authority's pilot program because Barry Fuller, as well as several reports, had said it would work and that New Bedford is an ideal port because of its infrastructure. But Mr. Jones observed that this does not necessarily mean that New Bedford will work as a substitute port for Hyannis.

Mr. Jones also recounted how, before the Authority's Enabling Act was changed in 1960, the Authority had 13 consecutive years of operating deficits when it was providing service from New Bedford and that, after the Authority stopped providing service from New Bedford, it stopped having any operating deficits. Mr. Jones observed that this history has to tell people something, and he declared that he was not going to be responsible for having the Authority operate at a deficit again no matter how much it might mitigate traffic.

Nevertheless, Mr. Jones noted that Mr. Johnson was presenting evidence that a market-based freight service by a private vessel operator might actually succeed and make money. While Mr. Jones stated that he would not be in favor of subsidizing that service, which would have to be operated by a completely separate entity, he observed that SeaStreak had found a market for passengers traveling from New Bedford, although there was a passenger market there and he was not aware of any freight shippers asking the Authority to begin freight service from New Bedford.

Mr. Jones then thanked Mr. Johnson for his work and stated that he was looking forward to Mr. Johnson putting something together that will be able to convince the Authority's Members and management that a freight service between New Bedford and Martha's Vineyard is a viable option without any subsidy from the Authority. But even then, Mr. Jones noted, the Authority would have to balance the fact that it would be losing ten percent or so of its ridership, which would result in the Authority having ten percent fewer paying customers.

In response, Mr. Johnson stated that he is convinced that there is a need for freight service from New Bedford and that it can succeed charging the same fares as the Authority charges from Woods Hole (although a private operator would have the ability to raise those fares within the constraints of economics) without any subsidy from the Authority. Mr. Johnson also stated that, if he were a vessel operator, he would be comfortable operating this service, assuming that his costs were similar to businesses in the Gulf who own their vessels outright and whose operating expenses for a fully crewed boat are around \$4,000 to \$5,000 per day.

Ms. Gladfelter then observed that the biggest issue in Falmouth at that time was whether the Authority will consider and work towards having an alternative freight route for Martha's Vineyard from New Bedford, and she noted that people were asking for an alternative route for just a portion of the freight, not all of it and not even most of it. Ms. Gladfelter further noted that, while such

a service would potentially open up other markets and serve other distribution points, she still had two concerns:

- Ms. Gladfelter stated that she does not see this service being available in 2018 and that, if the Authority is going to consider this service, it will take a few years to get it up and running in order for it to have a good chance of being successful.
- She also asked that, in order to reduce the number of times that a boat goes back to New Bedford empty, the Authority look into the possibility of allowing people with automobiles to use the boat, particularly if they are New York or Connecticut residents traveling on standby.

But Ms. Gladfelter told Mr. Johnson that she was encouraged by what he had discovered, and she encouraged the staff and the other Members to stay open to the possibility of a New Bedford freight service, observing that even if it is not needed this summer or next summer, it is something that is going to be needed at some point in the future.

In response, Mr. Johnson stated that he did not look into the possibility of carrying passengers on the boat, although he noted that people could drop off their cars and then take the fast ferry to New Bedford, which was a scenario in which SeaStreak had expressed an interest. Rather, Mr. Johnson stated that, as an operator, his focus would be far more on freight trucks that are there year-round, particularly those carrying hazardous cargo, than on passengers who disappear every year in September.

Mr. Hanover stated that his major concern was that it appeared that, in order for the service to be successful, freight shippers will need to drop their trucks at the terminals and Vineyard Haven simply does not have the facilities to stage them. But Mr. Johnson stated that the freight shippers he had talked with, in particular Cape Cod Express, have drivers on the island as well as the mainland, and the idea is for a mainland driver to drive the truck on the boat and then stay on the mainland, and have an island driver meet the boat when it arrives in Vineyard Haven. Mr. Johnson noted that, by doing so, the freight shippers would not have to pay their drivers for the two hours it takes for the boat to sail between New Bedford and Martha's Vineyard.

In response to a question from Ms. Tierney, Mr. Johnson stated that he also had spoken to SeaStreak to see if it might be interested in submitting a proposal to provide the service, and he stated that they were in fact interested. But Mr. Johnson observed that SeaStreak probably would not propose providing the service with a new freight vessel it had designed, which he understood might cost as much as \$30,000,000 to build.

In response to a question from Ms. Gladfelter, Mr. Anthes-Washburn stated that the State Pier was originally two separate piers during New Bedford's whaling era, that it was filled in before World War I, and that it has not been maintained at all. Ms. Gladfelter then asked at what point the Commonwealth of Massachusetts will realize that the pier requires major repairs, observing that the Authority is continually rebuilding its facilities. In response, Mr. Anthes-Washburn stated that a few years ago the New Bedford Harbor Development Commission had submitted an application to repair the pier for SeaStreak's operations, but never received any funding. Mr. Anthes-Washburn further stated that the biggest questions that New Bedford Mayor Jonathan Mitchell has are how any freight service will affect the current plans for the State Pier and who will be managing the pier. For these reasons, Mr. Anthes-Washburn said, the mayor is very interested but hesitant to fully endorse the use of the State Pier for providing freight service to Martha's Vineyard, although he would support using any other facility in New Bedford Harbor for this purpose.

Mr. Johnson then observed that operating a freight ferry service from New Bedford would have a far greater economic impact for the city than operating a passenger ferry, and he noted that when Seabulk provided the pilot freight service in 2000, Sid Wainer & Son, one of the Authority's ten largest freight shippers, was a steady user of that service and its trucks could be loaded almost anywhere on the vessel.

After Mr. Davis stated that the staff's next step would be to sit down with Mr. Anthes-Washburn and some of the key stakeholders in any New Bedford freight service, Mr. Hanover observed that there cannot be any service without a pier to use in New Bedford. In response, Mr. Davis noted that management of the State Pier was in the process of being transferred from the Massachusetts Department of Conservation and Recreation to Massachusetts Development, which may have some different views about how the State Pier should be used.

#### Update on the Repairs to the M/V Iyanough:

Mr. Davis then reported that the *M/V Iyanough* has been back in service since July 18th, and that the staff was in the process of preparing a report on the financial impact of the vessel's accident. Mr. Davis noted that, during the time that the vessel was out of service, the Authority carried approximately 40,000 fewer high-speed passengers and realized around \$1,200,000 less in passenger revenues than projected in its operating budget, with the revenues from the SeaStreak charters making up only a portion of that amount. Therefore, Mr. Davis said, while the report is not yet finished, it was safe to say that the

financial impact of the accident may include up to \$1,500,000 of lost revenue, including lost parking and food concession revenue.

Mr. Davis also reported that with respect to the expenses attributable to the accident, all of the repairs should be covered by insurance except for the \$50,000 deductible. However, Mr. Davis noted that the Authority authorized the shipyard to pay overtime to its employees in order to get the vessel back into service as soon as possible, and the insurance company probably will not pay for those incremental overtime costs. But Mr. Davis observed that, since the vessel has returned to service, ridership on the vessel has rebounded and the Authority has seen a return of its customer base.

Treasurer/Comptroller's Report:

Mr. Murphy then provided the Members with an update on the Authority's financial position through July 2017, noting that passenger traffic had been 7.4% lower that month than in July 2016 due to the *M/V Iyanough* being out of service after its accident on June 16th (which resulted in the Authority carrying 31.6% fewer passenger on the Nantucket route than it had in July 2016), and that while automobile traffic had been slightly down, truck traffic had been greater that month than in July 2016 with most of the growth coming from trucks over 20 feet in length. Mr. Murphy also reported that the Authority had almost a \$1,700,000 net shortfall in revenue that month, primarily in passenger revenue, and that operating expenses had been around \$400,000 over budget, primarily due to the expense of chartering substitute high-speed ferries from SeaStreak. Finally, Mr. Murphy noted that there was one piece of good news, namely, that the Authority had begun operating in the black by the end of July with a year-to-date surplus of \$2,800,000.

Oak Bluffs Pier Repairs:

Mr. Davis asked the Members to award Contract No. 11-17 for the 2017 Oak Bluffs Pier Repairs to Robert B. Our Co., Inc., of Harwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$472,797. Mr. Davis noted that, under the contract, the contractor will repair damage done to the pier that was incurred during the 2016-2017 winter season, including the removal and disposal of damaged timber decking on both the topside and underside of the pier, and that the work will begin in October the day after the Oak Bluffs terminal closes for the 2017 season.

Mr. Jones observed that the Authority has repaired the Oak Bluffs pier on numerous prior occasions and he asked what caused the damage this time. In response, Mr. Walker stated that the main reason the pier is repeatedly damaged is because it is sticking out in the middle of the ocean. Mr. Walker also stated that trucks tear up the timber, that the Authority will be replacing some cross bracing and piles, and that the dock will always require maintenance. Mr. Davis then observed that, while decking has been installed on the dock that can be taken up so that it is not damaged during storms, trucks turning at the end of the dock still cause spikes to pop up.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to award Contract No. 11-17 for the 2017 Oak Bluffs Pier Repairs to Robert B. Our Co., Inc., of Harwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$472,797, as recommended by management in Staff Summary #E-2017-5, dated August 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Capstans for Various Vessels:

Mr. Davis then asked the Members for authorization to award Contract No. 14-17 for the supply and delivery of capstans for various boats to the lowest eligible and responsible bidder for the contract after the opening of bids, which was currently scheduled for September 6, 2017. Mr. Davis noted that, under the contract, the Authority will purchase eight capstans to assist in the docking of the *M/V Martha's Vineyard*, the *M/V Island Home* and the *M/V Woods Hole*, the *M/V Martha's Vineyard's* four current capstans will be replaced, and the *M/V Island Home* and the *M/V Woods Hole*, which are both currently operating without capstans, will each receive two new capstans. Mr. Davis also noted that the cost estimate for this contract was \$388,000.

After saying that he was surprised by the number of capstans that the Authority needs to replace, Mr. Jones asked what their life expectancy is. In response, Mr. Walker stated that the capstans on the *M/V Martha's Vineyard* were approaching 25 years and that the Authority is adding capstans to the other two boats, after being advised that they would be helpful for operations.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No. 14-17 for the supply and delivery of capstans for various boats to the lowest eligible and responsible bidder for the contract after the opening of bids therefor, as recommended by management in Staff Summary #E-2017-7, dated August 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including the Authority's capital projects. Mr. Balco further reported that:

- Mr. Johnson similarly had provided the Port Council with his report and Nantucket Port Council member Nathaniel E. Lowell had provided additional information based upon his historical knowledge of the subject;
- The Port Council had recommended that the Members approve the staff's proposed modified 2018 Winter and Spring Operating Schedules and the General Manager's proposed goals for the upcoming year;
- At the meeting, Mr. Huss had asked about the status of the mid-life refurbishment of the *M/V Martha's Vineyard* and had been informed that the Authority will be moving the pole on the vessel's freight deck that he keeps hitting; and

- The Port Council had confirmed that there are customers who have both washed and dried their RFID cards and that the cards still work.

The General Manager's Goals for the Upcoming Year:

Mr. Davis reviewed his proposed goals for the upcoming year (July 1, 2017 through June 30, 2018) and then asked whether the Members wish to revise any of those proposed goals or add any more goals for him to achieve. In response, Ms. Gladfelter suggested that Mr. Davis's proposed third goal (overseeing the award of the contracts for the demolition of the Woods Hole terminal building and Phases 2 through 4 of the Woods Hole terminal reconstruction project (marine work), should include overseeing the work performed under each of those contracts, and that Mr. Davis might want to separate that goal into two separate goal. Ms. Gladfelter also suggested that Mr. Davis's proposed sixth goal (overseeing the award of a contract for a new accounting system) similarly include overseeing the implementation of that system, but Mr. Davis stated that the contract was not expected to be awarded until the beginning of next summer. Finally, Ms. Gladfelter asked that Mr. Davis include another goal of providing the Members with further updates on the possibility of New Bedford freight service.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve the General Manager's proposed goals for the upcoming year (July 1, 2017 through June 30, 2018) as revised in accordance with the Falmouth Member's suggestions that day.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ms. Gladfelter then noted that she has visited the Authority's terminals and has ridden the Authority's ferries several times this year, and that she has consistently been very impressed by the Authority's employees, whose patience is really outstanding given what situations they encounter. Ms. Gladfelter also

noted that the Authority's employees always have been polite to her even though they do not know she is one of the Authority's Members. Mr. Hanover agreed, saying that he receives many compliments about the Authority's employees. For example, Mr. Hanover said, he often receives compliments about how Dennis Ford guides passengers to the shuttle buses and makes certain that no one gets on a wrong bus when he is working.

Fuel Price Hedging:

Mr. Jones observed that the Authority is continuing to hedge its vessel fuel prices in the same way that people buy insurance for their houses, but it seemed to him that the hedging program was just adding to the Authority's overall fuel costs. Mr. Jones suggested that the Authority should investigate how it might be able to self-insure against the possibility of a future spike in the price of oil and analyze how much of a price increase it should try to offset compared to how much of that increase it can absorb.

In response, Mr. Davis stated that the staff can always reevaluate the program, but that it does provide insurance against a significant increase in the price of oil that otherwise could have an impact on the Authority's budget. In addition, Mr. Davis said, there is no provision in the Authority's Enabling Act that allows the Authority to segregate money into a "rainy day" fund. Mr. Davis also noted that the hope is that oil prices will never exceed any of the Authority's cap prices because, in those circumstances, the Authority is still purchasing fuel at lower prices and thereby receiving the benefit of those lower prices while being protected against an unexpected price increase.

However, Mr. Jones stated that he thought there was a lopsided difference between what the Authority has been spending for the options and what it has been receiving, and he asked that the staff review the program again. Mr. Balco then suggested that a good comparison is all of the money the Authority spent over the years insuring itself against the possibility that one of its vessels will have an accident with a breakwater and never put in a claim. Mr. Balco observed that such an insurance policy is not a waste of money, recounting how the Authority was forced to implement significant rate increases in the middle of the year due to a spike in oil prices, and he declared that buying options was a relatively inexpensive way of stabilizing the Authority's expenses. But Mr. Jones noted that the Authority began this program when fuel prices were so volatile that no one knew what they would be, and that now fuel prices appear to have stabilized.

Then, at approximately 11:24 a.m., Ms. Tierney entertained a motion to go into executive session to discuss the Authority's strategy with respect to anticipated litigation matters, because a public discussion of those matters may have a detrimental effect on the Authority's litigating positions. After Ms. Tierney announced that these matters included anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to anticipated litigation matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
August 15, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. August 15, 2017 Meeting Memorandum, dated August 10, 2017.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the July 18, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of June 2017.
5. Administrative Office Building PowerPoint Presentation.
6. Staff Summary #GM-687, dated August 8, 2017 – Cost Estimate for Phases 1 through 4 of the Woods Hole Terminal Reconstruction Project.
7. Staff Summary #L-469, dated August 8, 2017 – Approval of the Report on the SSA's Proposed 2018 Winter and Spring Operating Schedules and Recommended Modifications to Those Schedules.
8. Flagship Management's Initial Report on the Possibility of a Freight Ferry Service between Martha's Vineyard and New Bedford, dated August 10, 2017.
9. Staff Summary #E-2017-5, dated August 10, 2017 – Contract #11-17, "Oak Bluffs Pier Repairs 2017."
10. Staff Summary #E-2017-7, dated August 10, 2017 – Contract #14-17, "Supply and Deliver Capstans – Various Boats."
11. Minutes of the Port Council's August 2, 2017 Meeting (draft).
12. General Manager's Goals (Proposed) for the Year July 1, 2017 through June 30, 2018.
13. Vessel Fuel Pricing and Hedging Activities as of 06-30-2017.
14. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session  
September 26, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 26th day of September, 2017, beginning at 9:30 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury was also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Operations Manager Mark K. Rozum; Director of Security Lawrence S. Ferreira; Reservations and Customer Relations Manager Gina L. Barboza; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steven Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Recognition of Public Officials:

Ms. Tierney recognized Nantucket Town Manager C. Elizabeth ("Libby") Gibson in the audience and thanked her for attending today's meeting. In turn, Ms. Gibson introduced the Town of Nantucket's new Director of Culture and Tourism, Janet E. Schulte, and then thanked the Authority and Hy-Line for resuming ferry operations so quickly the previous week after Hurricane Jose, noting that a lot of people were grateful for all of their hard work.

Public Hearing on License Renewal Requests:

Mr. Davis announced that, as part of its regularly scheduled monthly meeting, the Authority was conducting its second public hearing on the proposed renewal of the following license agreements:

- the Authority's license agreement with Cape and Islands Transport, Inc., d/b/a Falmouth-Edgartown Ferry, to operate a passenger-only ferry service between Falmouth and Martha's Vineyard (Edgartown);
- the Authority's license agreement with Freedom Cruise Line, Inc. to operate a passenger-only ferry service between Harwichport and Nantucket;
- the Authority's license agreement with Hyannis Harbor Tours, Inc., d/b/a Hy-Line Cruises, to operate passenger-only ferry services between Hyannis and Nantucket, between Hyannis and Martha's Vineyard (Oak Bluffs), and between Nantucket and Martha's Vineyard (Oak Bluffs); and
- the Authority's license agreement with SeaStreak, LLC to operate passenger-only ferry services between New Bedford and Martha's Vineyard (Oak Bluffs) and between New Bedford and Nantucket.

Mr. Sayers then asked if anyone in the audience would like to comment on any of the license renewal requests. When no one responded, he noted that the Authority had held its first public hearing on the proposed renewal of these agreements in Woods Hole on September 13, 2017, and that no one from the public had provided any comments on any of the license renewal requests at that hearing either. Mr. Sayers stated that, accordingly, the staff will be making recommendations regarding the renewal of these agreements to the Port Council and the Authority Members for their consideration next month.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on August 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for July 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 7.4%) during the month than it had carried during the same month in 2016, with 0.1% more passengers on the Martha's Vineyard route and 31.6% fewer passengers on the Nantucket route. Mr. Davis also reported that, while the number of passengers carried by the Authority on its traditional ferries on the Nantucket route had decreased by 8.1%, the number of passengers carried on its high-speed ferry had decreased by 50.9%, noting the *M/V Iyanough* did not return to service until July 18, 2017. Further, Mr. Davis reported that the Authority had carried fewer automobiles (down 0.5%) and more trucks (up 3.0%) during the month than it had carried during the same month in 2016.

Mr. Davis also reported that the Authority's net operating income for the month had been around \$5,728,000, approximately \$1,872,000 lower than what had been projected, with operating revenues and other income \$1,330,000 lower than projected, due primarily to a \$1,145,000 decrease in passenger revenue, and operating expenses, fixed charges and other expenses \$542,000 higher than projected. Mr. Davis noted that the Authority's maintenance expenses had been \$205,000 higher than projected, due to higher dry-dock expenses for the *M/V Gay Head* (\$86,000), higher repair expenses for the *M/V Iyanough* (\$67,000), and more expensive repairs for the *M/V Island Home's* thruster and pump (\$36,000) and the *M/V Governor's* turbocharger (\$39,000). Mr. Davis also noted that, while the Authority had spent \$207,000 in charter fees for SeaStreak's substitute service for the *M/V Iyanough* in July 2017, its vessel fuel oil expenses had been \$154,000 lower than budgeted due to combination of lower-than-budgeted fuel prices (\$1.84 per gallon compared to the budgeted price of \$2.06 per gallon) and decreased fuel consumption (44,000 fewer gallons) as a result of the *M/V Iyanough* being out of service during the first half of that month.

Mr. Davis further reported that, for the first seven months of 2017, the Authority had carried fewer passengers (down 3.1%), more automobiles (up 0.8%) and more trucks (up 3.9%) than during the first seven months of 2016, and noted that, during this same period, the Authority's total operating income had been around \$2,749,000, approximately \$3,000,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$1,090,000 lower than projected and its operating expenses, fixed charges and other expenses had been \$4,090,000 lower than anticipated, primarily due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Construction of the Authority's New General Offices:

Mr. Davis then reported that the construction of the Authority's new administrative office building has been progressing pretty much on the revised schedule that was developed after it was determined that the original sheathing which was being installed was experiencing some deflection. Mr. Davis noted that all of that sheathing has been replaced with plywood and another sheathing product; that most of the windows have been installed; that the stone veneer on the lower part of the building was being installed; that the various trades have been busy inside the building; and that the Authority has passed the rough inspection for the third floor's plumbing, electrical and HVAC system so that the insulation on the exterior walls can be applied. In addition, Mr. Davis said, a binder coat was recently installed on the parking areas around the building so that various materials can be stored there.

After reporting that the building was expected to be completed by January 23, 2018, Mr. Davis noted that its current cost was \$12,957,000, which represented the \$12,687,000 original contract amount plus \$270,000 in change orders, and that to date the Authority had paid \$5,793,000 of that amount (around 45%) to the contractor. Then, in response to a question from Mr. Jones, Mr. Davis noted that the Authority had issued bonds to pay for this project, and that the balance of the contract will be paid from proceeds of those bonds that were deposited into the Authority's Capital Improvement Fund.

Temporary Woods Hole Terminal Building:

Mr. Davis then reported that the State Building Inspector has issued an occupancy permit for the temporary Woods Hole terminal building and that the Authority's Maintenance employees were working on the build-out of the food concession area inside the building after some additional plumbing work had been completed. Mr. Davis further reported that the Authority's MIS employees were also working to connect the computer servers, phone system, and other technology systems. After the food concession area is finished and the building's wiring is completed, Mr. Davis said, the staff plans to move the Woods Hole ticket selling operations to the building during the week of November 13th (the week before the week of Thanksgiving), but if the building is not ready by then, the move will be delayed until after the Thanksgiving holiday weekend. Mr. Davis also noted that after the temporary terminal building opens, the Authority will still keep the lobby in the existing terminal building open as a waiting area for customers until that building has to be closed for demolition.

Mr. Davis noted that the current cost of the building was \$2,626,000, which represented the \$2,591,182 original contract amount plus \$34,506 in change orders, although he advised the Members that the Authority was still negotiating the amount of one more change order for the additional work that was required to connect the sewer system.

Woods Hole Terminal Reconstruction Project:

Mr. Davis then reported that, on September 21, 2017, the design team for the Woods Hole terminal reconstruction project had issued the invitation for bids for Phases 2-4 of the project, which consists of all of the project's waterside work, including the reconstruction of all three ferry slips and the construction of two passenger loading piers, over the next four years. Mr. Davis noted that the invitation for bids package consists of 171 pages of drawings and a 1,454-page Project Manual, and he stated that 19 contractors already have requested and received the entire package. Mr. Davis observed that the deadline for the submission of bids is November 7, 2017 so that the Members can award the contract at their November 21, 2017 meeting.

Point-of-Sale Ticketing System Upgrade:

Mr. Davis reported that the staff was continuing to talk with Skidata about using a “sweb.wallet” app as an additional optional boarding pass for customers who purchase their tickets online. In this regard, Mr. Davis stated that the app will be used first for the high-speed ferry and that, once the Authority confirms the passes can be successfully scanned, it will be used for passengers on the Authority’s traditional ferries as well. Meanwhile, Mr. Davis said, for the last four months the Authority has been issuing RFID cards for:

- 46-ride commuter books for the Martha’s Vineyard route, around 300 of which have been issued each month (with re-loads outnumbering new issues by four to one).
- 10-ride adult, senior and child ten-ride RFID cards for both routes, around 6,000 of which have been issued (with around 15% of the cards already reloaded both at the SSA’s ticket offices and online).

Nantucket resident Karol Lindquist observed that the Authority sells discounted 10-ride ticket books for the high-speed ferry in April of each year, and she asked whether the Authority similarly could offer reasonably priced tickets for Nantucket students who were now commuting off-island to schools and colleges. In response, Mr. Davis noted that the Authority allows college students to travel with their automobiles on excursion rates even though they do not return to the island within 31 days, and he also noted that the Authority sells 10-ride ticket books for the high-speed ferry year round, and that the sale before the *M/V Iyanough* goes into service each year is just when the Authority sells them at a further discount.

Nantucket Standby Notification System:

Mr. Davis recounted how, towards the end of each summer season, the Authority always has large numbers of people who travel on a standby basis from Nantucket, and how it has had difficulty accommodating all of those customers at the Nantucket terminal when they return to see where they stand on the standby list for each vessel trip. Mr. Davis reported that, in order to address that problem, the Authority’s computer programmers have developed a new “Standby Notification System” for the Nantucket terminal that will allow customers to go to the Authority’s website to see where they stand in the Nantucket standby line, and also to receive text messages or emails that tell them when it is time to return to the terminal. After Mr. Davis noted that the

system has been in test mode since late August, Mr. Rozum stated that the software was then in place and that the Authority was going live with it that day.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Davis reported that, on September 7, 2017, the *M/V Martha's Vineyard* had left the Authority's Fairhaven Vessel Maintenance Facility for Senesco Shipyard's facility in Quonset Point, Rhode Island, to begin the shipyard portion of its mid-life refurbishment project. Mr. Davis noted that, because this contract was awarded last February, Senesco has had seven months to prepare for this project and order much of the necessary equipment. As a result, Mr. Davis said, the Authority already has paid \$4,242,000 (or about 26%) of the contract's current total contract price of \$16,297,000, which includes \$291,000 of change orders.

Mr. Walker further reported that, upon the vessel's arrival at Senesco, the shipyard immediately began cutting off the cabins, seats, bulkheads and pilot house, and that the new pilot house already has been placed on the boat. In addition, Mr. Walker reported that the bow and stern doors have been removed, as well as the generators, switchboards and reduction gears, and that much of the vessel has been gutted. Although Mr. Walker noted that the shipyard has encountered more wasted steel than anticipated, he stated that there is an allowance for contingencies in the project's budget in order to cover the extra cost of that steel work.

Mr. Walker also stated that he has been very impressed by Senesco and the efficiency with which its employees are working, and that they understand the project's tight schedule and the Authority's need to get the boat back on time on January 31, 2018. In this regard, Mr. Walker noted that Senesco has not asked for any extension of the time for completion of the contract due to the extra steel work, and that it has asked for only one day's delay due to Hurricane Jose.

In response to questions from Mr. Hanover, Mr. Walker stated that, after the vessel's return, it will be in repair at the Authority's Fairhaven Vessel Maintenance Facility for the month of February before it goes back in line service; that the vessel was scheduled to go into dry-dock on September 29, 2017; and that the Authority was not replacing the vessel's main engines because there was no need to replace them, as they are good engines that are in good shape and are not due for a major overhaul.

Approval of the Authority's 2018 Summer  
Operating Schedules for the Nantucket Route:

Mr. Davis then asked the Members to approve the staff's proposed 2018 Summer Operating Schedules for the Nantucket route, which he noted are similar to the Authority's 2017 Summer Operating Schedules except for minor changes in their starting and ending dates, and the replacement of one freight boat with another during certain periods of the schedules. In addition, Mr. Davis said, the staff is waiting to review the traffic statistics for the 2017 late summer operating schedule before deciding whether the *M/V Katama* or the *M/V Woods Hole* should be assigned to the route during that time period.

Mr. Davis recounted how the Authority had advertised these proposed schedules in all of the local newspapers for public comment in July and had held a public hearing on them on August 28, 2017, but he observed that no comments were received with respect to any of the proposed schedules for the Nantucket route. Mr. Davis also stated that the Port Council had voted to recommend the approval of these schedules and that, once they are approved, the staff will be able to begin processing summer bulk freight reservations for this route.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Jones -- to approve the 2018 Summer Operating Schedules for the Nantucket route, as recommended by management in Staff Summary #TPF-2017-8, dated September 20, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>      </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

The Authority's Proposed 2018 Summer  
Operating Schedules for the Martha's Vineyard Route:

Mr. Davis then updated the Members on the public hearing that was held on August 28, 2017 regarding the Authority's proposed 2018 Summer Operating Schedules for the Martha's Vineyard route, noting that around fifty people attended the hearing and that 16 of them provided public comment. Mr. Davis recounted how Falmouth residents voiced their concerns about how disruptive the noise is to their lives that is generated by the truck traffic associated with the Authority's 5:30 a.m. freight trip from Woods Hole, while freight shippers expressed concern over the impact that any schedule changes will have on their ability to make deliveries. Mr. Davis stated that the staff was continuing to look at various options to see if they can come up with a solution, as they were cognizant of the community's concerns about the noise and the shippers' concerns about the ability to provide the island with needed goods.

Mr. Sayers then noted that, in its report on the proposed 2018 Winter and Spring Operating Schedules, the Authority had provided the public with a preview of the difficulties it would have eliminating the 5:30 a.m. freight trip during the 2018 Summer Operating Schedules, and he emphasized that those difficulties were quite real. In this regard, Mr. Sayers observed that, during the summer of 2016, the Authority's vessels already were essentially operating at capacity every weekday from 5:30 a.m. through 7:00 p.m. in both directions and that, since then, the situation has only become worse, as the Authority has seen a 3-to-4 percent increase in freight traffic this past summer.

Mr. Sayers then noted that, during the early and late summer operating schedules, the first hazardous cargo trip is not scheduled to leave Woods Hole until 6:30 a.m. and, accordingly, the staff was considering whether the Authority can change the allocation of trucks carried on the 5:30 a.m. freight trip so that it carries only smaller trucks instead of larger trucks. In this regard, Mr. Sayers observed that there are studies which show that smaller trucks make less noise than larger trucks, so loading the 5:30 a.m. freight trip only with small trucks should be better for Falmouth residents. In addition, Mr. Sayers said, many of those smaller trucks are food trucks, which need to travel to the island early in the morning because they have to make multiple stops.

Unfortunately, Mr. Sayers said, during the height of the summer season the 5:30 a.m. freight trip is designated as a hazardous cargo trip and that, because of the mix of vessels available to the Authority at that time, if that trip were not a hazardous cargo trip, the Authority would be forced to run hazardous cargo trips much later in the morning. Therefore, Mr. Sayers stated that the staff was considering whether the Authority should operate a fifth vessel on this

route during the height of the summer, which would be single-crewed Mondays through Fridays. Mr. Sayers noted that this fifth vessel would be able to operate a hazardous cargo trip earlier in the morning and it would also operate as a safety valve for any additional freight demand the Authority might experience next year, although Mr. Sayers cautioned that the Authority might have some difficulty crewing the boat.

Mr. Davis also observed that, if the vessel is tied up in Slip 3 during the weekends, customers undoubtedly will ask the Authority to operate it then as well. Mr. Sayers further noted that the vessel would no longer be the “spare” vessel which the Authority wants to have during the summer, but he noted that if it were needed to provide service in lieu of another vessel later on weekdays or on weekends, it will be closer than if it were to remain at the Authority’s Fairhaven Vessel Maintenance Facility. Ultimately, Mr. Davis said, the staff was planning to finalize their draft report and present it to the Port Council and the Authority Members next month for their consideration so that the 2018 Summer Operating Schedules can be approved at that time.

The Authority’s Proposed 2018 Fall Operating Schedules and  
Its Proposed 2018 Operating Schedule for the M/V Iyanough:

Mr. Davis then reviewed with the Members the staff’s proposed 2018 Fall Operating Schedules, as set forth in Staff Summary #TPF-2017-9, dated September 20, 2017, although he noted that the Members did not need to take any action with respect to those proposed schedules that day because they were only advertised in all of the local news-papers earlier this month. With respect to the proposed schedule for the Martha’s Vineyard route, Mr. Davis observed that:

- The Authority would have up to 21 daily round-trips available to operate during the entire schedule. By comparison, the 2017 fall operating schedule has 25 round trips available for the first 12 days of the schedule, 21 round trips available for the middle 39 days of the schedule, and 18 round trips for the last 30 days of the schedule.
- The freight boat on the route, either the *M/V Woods Hole* or the *M/V Katama*, would berth overnight in Vineyard Haven for the entire schedule with its first departure scheduled for 5:30am. The *M/V Martha’s Vineyard* would continue to berth on the island with its first departure at 6:00am, and the *M/V Island Home* would continue to berth in Woods Hole with its first departure also at 6:00am.

- During the entire proposed schedule, the 5:30am trip from Woods Hole would be eliminated.

Mr. Davis also observed that the proposed fall operating schedule for the Nantucket route would have up to six daily round-trips available to operate the entire schedule. By comparison, Mr. Davis said, the 2017 schedule has eight round trips available for the first twelve days of the schedule and six round trips available for the remainder of the schedule. Mr. Davis also noted that:

- Because the *M/V Eagle* will be out for a required United States Coast Guard dry-dock and overhaul during this entire schedule, the *M/V Nantucket* will operate on this route and berth on Nantucket.
- The *M/V Gay Head* will operate most of this schedule and berth in Hyannis, but the *M/V Woods Hole* will substitute for the *M/V Gay Head* from November 16, 2018 through December 3, 2018 to provide additional vehicle capacity during Thanksgiving week and additional passenger capacity over the Nantucket Stroll Weekend.

Mr. Davis further stated that, included in the staff's proposed schedules was the proposed 2018 operating schedule for the *M/V Iyanough*, which he noted was essentially the same as its 2017 operating schedule, although it would start one day later and end two days earlier than the 2017 schedule (and the summer portion of the schedule would start five days earlier and end 7 days later). Finally, Mr. Davis stated that the staff anticipated coming back to the Members at their November 21, 2017 meeting to obtain approval of all of these schedules.

#### Proposed Changes to the Authority's Bulk Freight Policies:

Mr. Davis asked the Members to approve the staff's proposed modifications to the Authority's bulk freight reservation program to reduce the number of reservations each freight shipper may receive (from 110% of its previous year's actual usage to 100% of its previous year's actual usage) during the first round of processing bulk freight reservations, except for those shippers carrying hazardous cargo, septic or trash because of the limited number of vessels and trips on which those shippers can travel. Mr. Davis stated that the staff was recommending this change because shippers whose reservations are processed later in the first round have been receiving less desirable times to travel. In addition, Mr. Davis said, the staff had discussed this proposed change with the Authority's freight customers at four freight shipper meetings that were held in August and none of the customers at either of those meetings objected to it.

In response to questions from Mr. Jones, Mr. Rozum stated that currently freight shippers can request reservations for next year based upon 110% of the number of trips they made this year, and that the staff wanted to reduce that amount to 100% of the number of trips they made this year (trips that were actually used, not their total reservations). Mr. Rozum stated that shippers can also cancel up to 20% of their reservations and still receive back their deposits on those reservations because the Authority is requiring shippers to make their reservations for trips that are nine or ten months into the future and not all shippers know how many trips they will need at that time.

Mr. Rozum also noted that the Authority processes bulk freight reservations by commodity – namely, the United States mail first, then hazardous and odious cargo, then multiple-stop food trucks and then common carriers – and that new shippers are allowed to make reservations just like all of the other shippers, except that the Authority assumes that new shippers will need all of the reservations they request and does not limit them to the number of trips actually taken this year. However, Mr. Rozum said, if a new shipper does not qualify for a Steamship Authority credit account, it needs to pay for all of its reservations in advance instead of being able to pay only a 10% deposit.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the changes to the Authority's bulk freight policies, as recommended by management in Staff Summary #TPF-2017-10, dated September 20, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Preliminary Draft of Proposed 2018 Operating Budget:

Mr. Murphy presented the staff's preliminary draft of their proposed 2018 Operating Budget, as set forth in Staff Summary #A-615, dated September 21, 2017, for the Members' review and comments, noting that the final budget will not need to be approved until the Authority's next meeting on October 17, 2017. Mr. Murphy observed that the Authority's total operating expenses in 2018 are expected to be around \$97,561,000, which represents a \$4,276,000 or 4.6% increase in total operating expenses compared to the most recent estimate for 2017, and that significant changes in the Authority's expenses include the following:

- Payroll expense is expected to increase by \$1,307,000 (or 3.8%) from this year's estimate.
- Health and welfare costs are expected to increase by \$589,000 (or 7.4%).
- Depreciation expense is expected to increase by \$968,000 (or 9.6%) due to a full year of depreciation of the temporary Woods Hole terminal building and the new administrative office building, and a partial year of depreciation of the *M/V Martha's Vineyard* mid-life refurbishment work.
- The cost of vessel fuel oil is expected to increase by \$704,000 (or 11.8%).
- Vessel maintenance is expected to increase by \$2,301,000 (38.1%), as the SSA will have six of its vessels dry-docked during 2018.
- By contrast, terminal, dolphin and dock repairs are expected to decrease by \$1,331,000 (-55.7%).

Mr. Murphy also advised the Members that, in 2018, the Authority's total operating revenues are projected to be around \$105,809,000, representing a \$2,729,000 (or 2.6%) increase from this year's currently estimated revenues. As a result, Mr. Murphy said, even without any rate increases next year, the staff is projecting a net operating income next year of around \$7,484,000, while the Authority's transfers to the sinking fund to make its bond interest and principal payments will total approximately \$10,043,400. Mr. Murphy also stated that, at the moment, the staff is estimating that, in 2018, the Martha's Vineyard route will generate 56% of Authority's revenues and the Nantucket route will generate 44%, while 58.2% of the Authority's cost of service will be allocated to the Martha's Vineyard route and 41.8% to the Nantucket route. But Mr. Murphy noted that those allocations might change depending upon which route the *M/V*

*Woods Hole* is assigned to during the 2018 late summer and fall operating schedules.

Mr. Murphy also noted that the Authority's projected revenues for 2018 were based upon its traffic levels from August 2016 through July 2017 except for the number of passengers carried on the *M/V Iyanough*, which was out of service for approximately a month in June and July this year. For that vessel's projected revenues, Mr. Murphy said, the staff was using its traffic levels from June and July 2016 instead of June and July 2017.

In response to a question from Mr. Hanover, Mr. Davis stated that the two percent disparity between the allocation of each island's revenues and its cost of service was principally due to the number of vessel dry-docks next year, as many of those vessels provide service on the Martha's Vineyard route. Mr. Davis further noted that the cost of service for the Martha's Vineyard route will also be impacted by a full year's depreciation of the temporary Woods Hole terminal building and the assumption that the *M/V Woods Hole* will be assigned to that route during the late summer and fall operating schedules.

In response to a question from Ms. Gladfelter, Mr. Davis stated that, even though proposed budget assumed that the Authority will carry fewer automobiles next year, it projects that the Authority will have more automobile revenues because of the mix of automobiles that are projected to be carried. For example, Mr. Davis said, based upon the twelve most recent months instead of the estimate for 2017, the budget projects that more automobiles will be carried on the Nantucket route and that more of the automobiles carried will travel on regular rates instead of excursion rates.

In response to a question from *Nantucket Inquirer & Mirror* Managing Editor Joshua H. Balling, Mr. Murphy stated that the staff's projected budget does not contain any proposed fare increases. In addition, Mr. Davis said, while the budget will have to be revised if the Authority were to add a fifth vessel to the Martha's Vineyard route, he did not anticipate that the increased operating expenses on that route would necessitate a rate increase.

However, Mr. Davis informed the Members that the staff will be requesting a few fare adjustments in the nature of housekeeping matters rather than as means to provide additional revenues. For example, Mr. Davis said, now that the Authority is able to track how RFID cards are used, the staff was reviewing how many different customers travel on one 10-ride ticket book each trip on the Martha's Vineyard route to see whether the Authority should change any rules regarding the usage of those books.

Capstans for Various Vessels:

Mr. Davis then informed the Members that, pursuant to the authorization they had given him at their August 15, 2017 meeting, he had awarded Contract No. 14-2017, "Supply and Deliver Capstans – Various Vessels" to Schoelhorn-Albrecht Machine Company, Incorporated of St. Louis, Missouri, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$333,384. Mr. Davis noted that the capstans are required for the *M/V Martha's Vineyard*, the *M/V Island Home* and the *M/V Woods Hole* and that, while the original estimate for the contract had been \$388,000, a quantity discount for eight capstans was anticipated and reflected in the bid prices received from both vendors who submitted bids.

Dry-Dock and Overhaul Services for the M/V Governor:

Mr. Davis then asked the Members to award Contract No. 09-2017, "Dry-Dock and Overhaul Services for the *M/V Governor*" to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,751,583. Mr. Davis noted that, originally the *M/V Governor* was scheduled for dry-docking in 2018, but because there were more vessels than usual scheduled for dry-docking next year, the staff has decided to move the *M/V Governor's* dry-docking to this fall.

In addition, Mr. Davis stated that the contract includes the replacement of the vessel's three ships service diesel generators, since one of the vessel's current generators failed in June and, given that they are now obsolete, replacements are difficult to obtain. Mr. Davis noted that, because a failure of either of the remaining two generators or switchboard would require the Authority to take the vessel off-line until replacement parts or units could be obtained, the staff decided to replace all of the generators during the vessel's upcoming dry-dock period. Mr. Davis further reported that the generators were specified so that, after the Authority stops using the *M/V Governor* for ferry service, the units can be removed and installed on either the *M/V Gay Head* or the *M/V Katama*. Finally, Mr. Davis noted that the generators will be treated as improvements to the vessel and, as such, the \$1,060,000 replacement cost will be funded through the Authority's Replacement Fund.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to award Contract No. 09-2017, "Dry-dock and Overhaul Services for the M/V Governor," to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$1,751,583, as recommended by management in Staff Summary #E-2017-9, dated September 21, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ms. Gladfelter observed that the Authority was spending almost another \$2,000,000 on the *M/V Governor*, which was almost as old as she is and has a limited life, and she noted that off-shore supply boats were relatively inexpensive at that time and that many of them were tied up along the Gulf Coast. Therefore, Ms. Gladfelter asked whether it would be appropriate to consider acquiring one of those boats as a replacement for the *M/V Governor* and, if so, whether the Authority should plan to acquire one sooner rather than later.

In response, Mr. Davis noted that it had been around seven years since the Authority had a survey prepared of all of its vessels and that subsequently the Authority had accomplished a lot of steel replacements in those vessels. In this regard, Mr. Davis stated that he had asked that the survey be updated to see how the Authority is progressing in maintaining its fleet and to determine when any of those vessels might need to be replaced. Mr. Davis also observed that the Authority will need to continue operating the *M/V Governor* for at least another five years and that a 25-to-30-year-old supply boat would also need to be retrofitted in order to use it for the Authority's operations. Mr. Davis stated that the question was whether such an acquisition would make the most economic sense and that, while the three supply boats the Authority previously acquired to use as freight boats had proven to be a good investment, the Authority needed to discuss this issue more extensively in order to arrive at the right decision.

Port Council's Report:

Mr. Balco then reported that, at their meeting earlier this month, the Port Council had held a public hearing on the proposed renewal of the Authority's license agreements with its licensed private ferry operators and that no one from the public offered any comments. Mr. Balco further reported that the Port Council also had discussed all of the matters that the Members had considered that day, including:

- The construction of the Authority's new administrative office building and the Woods Hole terminal reconstruction project;
- The Authority's 2018 Summer Operating Schedules for the Nantucket route;
- The public hearing the Authority had conducted regarding its proposed 2018 Summer Operating Schedules for the Martha's Vineyard route, with respect to which there also had been discussion between Port Council members and the public;
- The proposed changes to the Authority's bulk freight policies;
- The goals that had been approved for the General Manager; and
- The question of whether the Authority should barge demolition debris resulting from the Woods Hole terminal reconstruction project, with respect to which Mr. Sayers had noted that the Authority already had addressed this subject in its responses to the public comments that had been submitted with respect to the Authority's application for a Chapter 91 Waterways License for the project.

The General Manager's Goals for the Upcoming Year:

Mr. Davis then noted that he had provided the Members with an updated list of the goals that the Members had established for him for the upcoming year (July 1, 2017 through June 30, 2018).

Proposed Sea Captains Row Development, Hyannis:

Mr. Davis reported that the Authority had been notified as an abutter of a proposed housing development for Pleasant and South Streets in Hyannis to be known as “Sea Captains Row” which is dependent upon a regulatory agreement with the Town of Barnstable, and that he and Mr. Jones had attended two Barnstable Planning Board hearings about the proposed development. Mr. Davis stated that the staff’s main concern about the development is what impact any proposed parking along Pleasant Street would have on traffic, but he noted that the applicant had now represented that all new parking spaces on Pleasant Street will be parallel parking spaces that will be recessed into the property lines rather than being located on the street itself. Mr. Davis also noted that it appears that Hyannis residents would like this development to proceed.

Mr. Jones observed that the applicant will need to enter into a regulatory agreement with the Town of Barnstable to obtain waivers from certain zoning requirements, and that the agreement will also escalate the permitting process even though it needs to be approved by the Barnstable Planning Board and then the Barnstable Town Council. Mr. Jones also stated that while the development would be in the Pleasant – School Street Historic District, none of the affected buildings themselves are historic and he did not think the Authority needed to submit any comments about the project.

Public Comment:

Nantucket resident Phil Gallagher commended the Authority for keeping change orders for the new administrative office building and the temporary Woods Hole terminal building below three percent of their respective original contract prices. Mr. Gallagher noted that the cost of publicly bid projects are frequently increased by the large amount of change orders that need to be approved, and he observed that the lack of a significant amount of change orders to those contracts was indicative of good planning.

Then, at approximately 11:04 a.m., Ms. Tierney entertained a motion to go into executive session to discuss the deployment of security personnel or devices, and strategies with respect thereto, and the Authority's strategy with respect to anticipated litigation and collective bargaining matters, because a public discussion of those matters may have a detrimental effect on the Authority's litigating and bargaining positions. After Ms. Tierney announced that these matters included anticipated litigation with Shoestring Properties, LLC, regarding its proposed development of property located at 110 School Street and 53 South Street in Hyannis and the Authority's negotiations with Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's unlicensed vessel employees, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to discuss the deployment of security personnel or devices, and strategies with respect thereto, and the Authority's strategy with respect to anticipated litigation and collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
September 26, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. September 26, 2017 Meeting Memorandum, dated September 21, 2017.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the August 15, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of July 2017.
5. Staff Summary #TPF-2017-8, dated September 20, 2017 – Proposed 2018 Nantucket Summer Operating Schedules.
6. Staff Summary #TPF-2017-9, dated September 20, 2017 – Preliminary Version of Proposed 2018 Fall Operating Schedules.
7. Staff Summary #TPF-2017-10, dated September 20, 2017 – Proposed Changes to the Bulk Freight Policies.
8. Staff Summary #A-615, dated September 21, 2017 – Preliminary Draft of Proposed 2018 Operating Budget.
9. Staff Summary #E-2017-8, dated September 21, 2017 – Contract #14-17, “Supply and Deliver Capstans – Various Vessels.”
10. Staff Summary #E 2017-9, dated September 21, 2017 – Contract #09-2017, “Dry-dock and Overhaul Services for the *M/V GOVERNOR*.”
11. Minutes of the Port Council’s September 13, 2017 Meeting (draft).
12. General Manager’s Goals (Approved) for the Year July 1, 2017 through June 30, 2018.
13. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**October 17, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of October, 2017, beginning at 9:30 a.m., in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Robert V. Huss were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Operations Manager Mark K. Rozum; Reservations and Customer Relations Manager Gina L. Barboza; Oak Bluffs Terminal Manager Bridget Tobin; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Martha's Vineyard Community Television, also known as MVTv, was making a video and audio recording of today's meeting in public session.

Recognition of Public Officials:

Ms. Tierney recognized Dukes County Commissioner Leon Brathwaite, Oak Bluffs Selectman Michael Santoro, and Martha's Vineyard Commissioner and Dukes County Airport Commissioner Clarence (Trip) Barnes in the audience and thanked them for attending today's meeting.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meeting in public session on September 26, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis summarized the results of the Authority's operations for August 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 1.0%) during the month than it had carried during the same month in 2016, with 2.4% more passengers on the Martha's Vineyard route and 11.6% fewer passengers on the Nantucket route. Further, Mr. Davis reported that the Authority had carried fewer automobiles (down 0.1%) and more trucks (up 5.5%) during the month than it had carried during the same month in 2016, and that the Authority also had parked fewer cars that month (down 1.4%) than it had parked in August 2016.

Mr. Davis also reported that the Authority's net operating income for the month had been around \$8,490,000, approximately \$275,000 lower than what had been projected, with operating revenues and other income \$498,000 lower than projected, due to a \$516,000 decrease in passenger revenue, a \$326,000 decrease in automobile revenue, and a \$201,000 decrease in parking revenue, while truck revenue had increased by \$360,000. Mr. Davis also noted that operating expenses, fixed charges and other expenses had been \$223,000 lower than projected, with a \$94,000 decrease in maintenance expenses.

Mr. Davis further reported that, for the first eight months of 2017, the Authority had carried fewer passengers (down 2.6%), more automobiles (up 0.6%) and more trucks (up 4.1%) than during the first eight months of 2016,

and noted that, during this same period, the Authority's total operating income had been around \$11,239,000, approximately \$2,726,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$1,587,000 lower than projected and its operating expenses, fixed charges and other expenses had been \$4,313,000 lower than anticipated, primarily due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Finally, Mr. Davis reported that, while the Authority's fund balances were in decent shape, the staff would continue to monitor them because the most recent estimate indicated that transfers to the Authority's Replacement Fund will be slightly less than budgeted.

Point-of-Sale Ticketing System Upgrade:

Mr. Davis reported that the Authority has been issuing RFID cards (radio-frequency identification cards) for five months now instead of paper ticket books and that they continue to increase in popularity, noting that:

- The Authority has issued around 300 46-ride commuter books for the Martha's Vineyard route each month and re-loads continue to outnumber new issues by 4 to 1.
- The Authority has issued around 11,000 10-ride adult, senior and child ten-ride RFID cards for both routes, and almost 25% of the cards already have been reloaded (both at the Authority's ticket offices and online).

But Mr. Davis stated that the Authority continues to experience issues with the scanning of smartphones for passage on the *M/V Iyanough* and, for this reason, the staff was continuing to talk with Skidata about using a "sweb.wallet" app as an optional boarding pass for customers who purchase their tickets online. Mr. Davis reported that the app will be used first for the high-speed ferry and, once the Authority confirms that the passes can be successfully scanned, the app will be used for passengers on the traditional ferries as well.

In response to a question from Mr. Hanover, Mr. Davis stated that the cost of an RFID card is less than a paper ticket book and that, if a customer loses his or her card, the Authority can reissue it, which it cannot do for a paper ticket book. Accordingly, Mr. Davis said, the RFID cards are better than paper ticket books in terms of both cost and customer service.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Davis reported that, on September 7, 2017, the *M/V Martha's Vineyard* had left the Authority's Fairhaven Vessel Maintenance Facility for Senesco Shipyard's facility in Quonset Point, Rhode Island, to begin the shipyard portion of its mid-life refurbishment project. Mr. Davis noted that Senesco immediately began cutting off the cabins in order to extend the interior seating area on the 02 deck as well as to add exterior seating above, that the joiner work, seats and pilot house have been removed, and that the new pilot house already has been placed on the boat.

Mr. Walker then gave a PowerPoint presentation on the project, noting that it was progressing well and that Senesco has 125 workers assigned to the vessel. However, Mr. Walker reported that, at that point, the Authority had incurred around \$750,000 of change orders, which represented one-half of the project's budget contingency, and that he expected that number to grow by another \$250,000. But Mr. Walker stated that the schedule was going well, with only one day of delay due to Hurricane Jose, and that the Authority had been able to work with the shipyard to mitigate any delay, as Senesco knows that the Authority needs the vessel back so that it can complete its other work on the vessel and place it back in line service. Mr. Walker also declared that Senesco was doing a great job and that the quality was there, although he apologized for the change orders, which at that point had increased the cost of the project to around \$17,400,000.

Mr. Davis noted that, as of the end of September 2017, the construction contract amount had been \$16,705,000, representing the original contract amount of \$16,006,000 plus \$698,000 of change orders, and that the Authority had paid \$5,090,000 (or about 30%) of that amount to Senesco.

Construction of the Authority's New General Offices:

Mr. Davis then reported that the construction of the Authority's new administrative office building has continued to proceed well and that, since the last Authority meeting, the contractor had installed the interior drywall on the third floor and the glass partitions. Mr. Davis also reported that the contractor was also continuing to finish out the electrical, plumbing and HVAC work on the second floor for the rough inspection so it can then finish the drywall and glass partitions there; and that the stone veneer on the lower part of the building was being installed, as well as the building's exterior siding.

After reporting that the building was expected to be completed by January 17, 2018, Mr. Davis noted that its current cost estimate was \$13,047,000, which represented the \$12,687,000 original contract amount plus \$360,000 in change orders, and that to date the Authority had paid \$6,846,000 of that amount (around 52%) to the contractor. In response to a question from the audience, Mr. Davis stated that around 65 employees will work in the new building and that they will move there from the existing General Offices in Woods Hole a few weeks after the Authority begins accepting reservations during the 2018 Summer Operating Schedule. Mr. Sayers then gave a PowerPoint presentation on the progress of the building's construction.

Purchase of Furniture for the New Administrative Offices:

Mr. Davis then recounted how the staff had been working on the furniture requirements for the new administrative offices with W. B. Mason, which has a state contract to provide such furnishings, and he asked the Members for approval to purchase the building's office furniture from W.B. Mason under that state contract for \$582,252. Mr. Davis stated that, under the contract, W.B. Mason would provide and install the furniture for approximately 64 offices/workstations, 6 meeting/conference rooms, a breakroom, and various document storage areas.

Mr. Davis noted that the staff had reviewed the new offices' furniture and storage requirements and concluded that most of the furniture in the existing General Offices was either too old, or not compatible with the new offices' physical layout, or consisted of mismatched units. Accordingly, Mr. Davis said, in light of the age, condition and suitability of the Authority's existing furniture, the difficulties in coordinating the movement and installation of any existing furniture, and the fact that the new building will serve the Authority for decades into the future, the staff was recommending that the Authority purchase essentially all new furniture for the new building for the best use of the new spaces and a productive work environment.

Mr. Davis stated that the \$250,000 original furniture budget for the new offices had been established before the staff realized that most of the Authority's existing furniture did not lend itself for use in the new building, and that the staff was now recommending that the Authority spend \$510,243.26 for new furniture, plus \$72,008.72 in installation costs, for a total price of \$582,251.98. In this regard, Mr. Davis noted that, based upon furniture industry budget calculators (not including installation costs), the proposed furniture will cost

around \$22 per square foot, which was slightly less than the medium \$24-to-\$29 per square foot range typically found for office furniture.

Mr. Davis also noted that, once the furniture is ordered, it will take six to eight weeks before it will be delivered, and then another three to four week to install it. Therefore, Mr. Davis said, the furniture will need to be ordered by the end of this month in order for the administrative offices to be available for use by the end of January 2018.

In response to a question from Mr. Jones, Mr. Davis stated that the Authority's purchase of the furniture under a Commonwealth of Massachusetts COMMBUYS Master Blanket Purchase Order would eliminate any other bidding requirements that the Authority otherwise would have to follow with respect to that purchase.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to authorize the General Manager to execute a Contract Pursuant to Commonwealth of Massachusetts COMMBUYS Master Blanket Purchase Order OFF38 for the Administrative Offices Furniture with W.B. Mason Company for a Total Contract Price of \$582,251.98, as recommended by management in Staff Summary #GM-689, dated October 16, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

In response to a question from the audience, Mr. Davis that the Authority will be repurposing some of the old furniture in the existing General Offices, that the staff was currently reviewing whether any of that furniture can be used at any of the Authority's other facilities, and that the Authority would dispose of the remaining furniture that is not able to be used elsewhere.

Temporary Woods Hole Terminal Building:

Mr. Davis then reported that the Authority's Maintenance employees were continuing to work on the build-out of the food concession area inside the temporary Woods Hole terminal building, and its MIS employees were working to connect the computer servers, phone system, and other technology systems. In addition, Mr. Davis said, the staff was laying out the building's furniture requirements, including benches for customers, and was still planning to move the Woods Hole ticket selling operations to the building during the week of November 13th (the week before the week of Thanksgiving). But Mr. Davis also noted that the Authority will continue to keep the existing terminal building's waiting room open for customers until that building needs to be demolished this winter.

Mr. Davis noted that the current cost of the building was \$2,627,000, which represented the \$2,591,182 original contract amount plus \$36,000 in change orders, although he advised the Members that the Authority was still negotiating the amount of one more change order for the additional work that was required to connect the sewer system.

Contract for the Demolition of the Woods Hole Terminal Building:

Mr. Davis then asked the Member to award Contract No. 12-2017 for the demolition of the Woods Hole terminal building to J.R. Vinagro Corporation of Johnston, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$155,000. Mr. Davis noted that, under the contract, Vinagro will demolish the Woods Hole terminal building, as well as the fabric canopies located behind the building, several utility sheds and an information booth, that the structures will be demolished down to their foundations, and that Vinagro will dispose of all of the debris, including hazardous materials, in accordance with all applicable laws and regulations. Mr. Davis also noted that the remaining foundations will be removed by a different contractor under the separate Phases 2-4 Waterside Contract for the Woods Hole terminal reconstruction project at a later date.

In response to a question from Ms. Gladfelter, Mr. Davis stated that the staff anticipates giving Vinagro a notice to proceed in February 2018 after the staff is moved out of the General Offices, which will authorize Vinagro to begin work at the site thirty (30) days after the notice to proceed is given and require

it to complete all of the demolition work within six (6) weeks after the end of that 30-day period. However, Mr. Davis noted that, before Vinagro can begin any work, the power to the ferry slips will have to be redirected to come from the freight shed instead of from the terminal building, and that electrical work will be performed by the marine contractor for the Phases 2-4 Waterside Contract. Accordingly, the staff will have a better idea of the schedule after the Phases 2-4 Waterside Contract is awarded next month.

Mr. Jones then expressed his concern about awarding a contract in the amount of \$155,000 when the cost estimate for the work was \$544,000, and he asked why the estimate was so much higher than Vinagro's bid. Mr. Cloutier stated that the cost estimate did not take into consideration whether any of the demolition debris could be recycled and, in this regard, he noted that Vinagro has a huge recycling facility in Rhode Island where much of the debris will be able to be recycled. Mr. Davis also noted that, in 2013, the demolition of the Old Falmouth Ice Rink similarly had been estimated to cost \$500,000, that for the same reason Vinagro had submitted the lowest bid for the contract in the amount of \$141,654.25, and that Vinagro had handled that job extremely well and had completed it ahead of schedule.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to award Contract No. 12-2017 for the Demolition of the Woods Hole Terminal Building to J.R. Vinagro Corporation of Johnston, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$155,000.00, as recommended by management in Staff Summary #GM-688, dated October 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>      </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of Modifications to the Authority's 2018  
Summer Operating Schedules for the Martha's Vineyard Route:

Mr. Davis announced that the Members had been provided with a draft report that the staff had prepared regarding the Authority's proposed 2018 Summer Operating Schedules for the Martha's Vineyard route after considering testimony that had been received about those schedules at a public hearing that had been held on August 28, 2017. Mr. Davis noted that, in the draft report, the staff was recommending certain modifications to those schedules for the reasons explained in that report, and that the principal modifications were as follows:

- Assigning the *M/V Sankaty* to provide additional service during the peak summer schedule (June 19 through September 7, 2018), with three scheduled round trips each weekday between Woods Hole and Vineyard Haven, which will allow the Authority to no longer designate the *M/V Governor's* 5:30 a.m. and 7:30 a.m. trips from Woods Hole, or its 8:35 a.m. and 11:05 a.m. trips from Vineyard Haven, as hazardous cargo trips on weekdays. Instead, the *M/V Sankaty's* 6:45 a.m. trip from Woods Hole and its 10:15 a.m. trip from Vineyard Haven on weekdays will be designated as hazardous cargo trips.
- Changing the *M/V Nantucket's* 6:30 a.m. trip from Woods Hole so that, instead of going to Vineyard Haven, it goes to Oak Bluffs, from which it will make a return trip at 7:30 a.m.

Mr. Davis observed that, if the *M/V Sankaty* were assigned to provide additional service during the peak summer schedule, the Authority would no longer have a standby vessel during that period, but he noted that it would still be available as a standby vessel late on weekdays and on weekends.

Mr. Davis also noted that, in the draft report, the staff was recommending that the Authority adopt certain new operating policies, as follows:

- Limiting the size of the trucks that the Authority carries on its 5:30 a.m. freight trip from Woods Hole during the summer to trucks that are less than 40 feet in length. Based upon the information received by the staff, this limitation should result in substantially less noise being generated by the trucks that drive to the Woods Hole terminal in the early morning hours.
- Instructing freight shippers participating in the bulk reservation program who request reservations on the 5:30 a.m. freight trip from Woods Hole that their truck drivers should not exceed the speed limit on any roads in Falmouth or 35 miles per hour, whichever is lower, in order to reduce the noise from those trucks even more.

- Reviewing all of the Authority's other efforts to mitigate noise from the Woods Hole terminal's early morning operations, including but not limited to prohibiting trucks from arriving at the terminal earlier than necessary to be processed and loaded onto the ferries, to ensure that those efforts are followed and to see how they can be improved.

Mr. Davis also noted that, in the draft report, the staff was recommending that the Authority offer a discounted fare for trucks 40 feet or more in length to travel late in the day between Woods Hole and Martha's Vineyard during the 2018 Summer Operating Schedules in an effort to see if the traffic patterns of some shippers can be modified. Mr. Davis stated that the discounted fares would be available to freight shippers when they request reservations during the bulk freight reservation program, that they would be the same one-way fare as that paid by 3-space trucks less than 40 feet in length, and that they would be available on specific evening trips Mondays through Thursdays. Mr. Davis also stated that trucks traveling on those discounted fares would not be allowed to travel on a standby basis or arrive at the terminal prior to 45 minutes before the times of their reservations.

Mr. Barnes stated that he thought the Authority would be playing with fire if it began offering discounted fares to freight shippers, and he questioned whether it would make any difference in the times when those shippers travel. Then in response to questions from other members of the audience, Mr. Davis stated that the Authority at one time carried a truck that was 105 feet in length, but that typically the longest trucks carried by the Authority are in the range of 60 to 65 feet, with some closer to 70 feet in length.

Ms. Gladfelter stated that she appreciated all of the staff's efforts in the different ways they tried to tweak the operating schedule, but she expressed concern about what would happen during the peak summer schedule if the Oak Bluffs terminal is closed due to bad weather and the *M/V Sankaty* is also assigned to this route. In response, Mr. Davis stated that there would be delays during the morning due to the need of some vessels to stay offshore, but that those delays should dissipate over the course of the day as the Authority's Captains coordinate their trips with each other.

Mr. Hanover observed that the Authority's freight deck space is valuable during all times of the day and that he was opposed to offering a discounted fare to trucks traveling at night because it could be the beginning of a slippery slope; but he also stated that he was willing to go along with the other Members if they wanted to give it a try. However, Mr. Jones stated that his line of thinking was the same as Mr. Hanover's, and he wondered whether it would be a wise move to offer a discount. In addition, Mr. Jones said, as a practical matter he did not

think it would affect many freight shippers' decisions about when to travel and that, due to how much it costs a shipper to own and operate a truck, there won't be many shippers who will take advantage of it.

Mr. Davis agreed with Mr. Jones, observing that, based upon studies that had been done in the past, the consensus was that offering a discounted fare will probably not be productive; but he stated that the staff was proposing it in response to a number of comments that the Authority had received at the public hearing. Mr. Davis also noted that the cost of assigning the *M/V Sankaty* to provide additional service during the peak summer schedule will be around \$250,000, and that the staff was not projecting any additional revenues from that extra service. Instead, Mr. Davis said, the staff was assuming that the extra service will result only in more customers traveling between Woods Hole and Martha's Vineyard earlier in the day.

Ms. Gladfelter then stated that she thought offering a discount for trucks that travel late in the day would add too many variables to the Authority's efforts to reduce early morning noise at the Woods Hole terminal, and that it would also encourage larger trucks to be on local roads during the late afternoon when there is more traffic. Accordingly, Ms. Gladfelter stated that she was uncomfortable offering a discount, although she liked the rest of the staff's recommendations even though they may not alleviate everyone's concerns.

Mr. Barnes agreed, observing that the reason freight shippers are traveling early in the morning is that they have to get to their destinations early in the morning, and he noted that grocery deliveries will still take place in the morning even if the Authority were to offer a discounted fare for shippers to travel late in the day.

Mr. Jones then also questioned whether the Authority should instruct freight shippers that their truck drivers should not exceed the speed limit, observing that the Authority has no right to dictate how truck drivers are to drive on public roads. Mr. Barnes agreed, and suggested that it was the Falmouth Police Department's jurisdiction to enforce the speed limit. Ms. Gladfelter also noted that, based upon her personal observations of Woods Hole Road at 4:00 to 4:30 in the morning, very few trucks exceed the speed limit on that road. In response, Mr. Sayers stated that the report could be revised to provide that the Authority "request" rather than "instruct" freight shippers that their truck drivers not to exceed the speed limit.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- as follows:**

- 1. To issue the Report on the Authority's Proposed 2018 Summer Operating Schedules for the Martha's Vineyard Route in the draft form accompanying Staff Summary #L-471, dated October 10, 2017, with the following revisions:**
  - **not providing a price incentive for freight shippers to travel late in the day, as described in the draft report; and**
  - **during its bulk freight reservation program, requesting, rather than instructing, freight shippers with reservations on the 5:30 a.m. freight trip from Woods Hole that their truck drivers should not exceed the speed limit on any roads in Falmouth or 35 miles per hour, whichever is lower.**
- 2. To approve the Authority's 2018 Summer Operating Schedules for the Martha's Vineyard Route with the modifications to the original proposed schedules as set forth in Staff Summary #L-471, dated October 10, 2017, and the report, for the reasons explained in the report.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2018 Reservation Opening Dates:

Mr. Davis reported that the Authority will begin accepting reservations for its 2018 winter and spring schedules the following Tuesday, October 24th, and he then reviewed the Authority's 2018 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the

Authority's 2018 summer and fall schedules, as set forth in Staff Summary #RCR-01-2017, dated October 10, 2017:

Reservations for the Summer Schedule (05/11/2018 through 10/22/2018)

- Headstart reservations will be accepted (by mail and internet only) from January 4, 2018 through January 10, 2018.
- Reservations for the general public will be accepted by mail and over the internet beginning January 11, 2018.
- Telephone reservations for the general public can be made beginning January 18, 2018.

Reservations for the Fall Schedule (10/23/2018 through 01/02/2019)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 18, 2018.

In addition, Mr. Davis said, the "reservation-only" days for vehicles traveling on the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 22nd through September 3rd, as well as from May 24th through May 28th (around Memorial Day), June 28th, July 3rd, August 21st, September 4th, October 5th and October 8th (around Columbus Day). Mr. Davis observed that next year's "reservation-only" dates for the Martha's Vineyard route are almost identical to this past year's dates, except that the Authority is adding Thursday, June 28th, and Tuesday, July 3rd, as "reservation-only" days because of the amount of traffic it expects to experience at the Woods Hole terminal those days.

Renewal of the Authority's License Agreements:

Mr. Sayers then asked the Members to renew all of the Authority's license agreements with all of its currently licensed private ferry operators for another three years, observing that the renewed agreements would be for the following passenger-only ferry services:

- the service by Cape and Islands Transport, Inc., d/b/a Falmouth-Edgartown Ferry, between Falmouth and Martha's Vineyard (Edgartown);
- the service by Freedom Cruise Line, Inc. between Harwichport and Nantucket;

- the services by Hyannis Harbor Tours, Inc., d/b/a Hy-Line Cruises, between Hyannis and Nantucket, between Hyannis and Martha's Vineyard (Oak Bluffs), and between Nantucket and Martha's Vineyard (Oak Bluffs); and
- the services by SeaStreak, LLC between New Bedford and Martha's Vineyard (Oak Bluffs) and between New Bedford and Nantucket.

Mr. Sayers also noted that, even though the Authority had placed advertisements in all of the local newspapers asking for public comment on the proposed license renewals and had held two public hearings, the Authority did not receive any comments from the public about any of them.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to authorize the General Manager to enter into new license agreements with Cape and Islands Transport, Inc., Freedom Cruise Line, Inc., Hyannis Harbor Tours, Inc. and SeaStreak, LLC in substantially the forms attached to Summary #L-470, dated October 10, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b><u>10 %</u></b>	<b><u>      </u></b>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Additional Service During the Week of Thanksgiving:

Mr. Davis noted that the Authority will be providing additional service for both islands during the week of Thanksgiving (beginning Monday, November 20th, through Sunday, November 26th), as follows:

- The *M/V Woods Hole* will begin the week on the Nantucket route (providing one additional round trip on Monday and two on Tuesday) and then provide service on the Martha's Vineyard route (providing three additional round trips on Wednesday and four on Friday and Sunday).

- Whether the *M/V Woods Hole* will also be providing additional service on Saturday depends upon whether the football game between Nantucket and Martha's Vineyard takes place that Saturday or the previous Saturday, November 18th. If the football game is played on November 25th, the vessel instead will be substituting for the *M/V Nantucket* on the Martha Vineyard route, as the *M/V Nantucket* will be assigned to transport the Martha's Vineyard football teams and their supporters to and from Nantucket that day.

The Authority's 2018 Operating Budget:

Mr. Murphy then asked the Members for approval of the staff's proposed 2018 Operating Budget, noting that the final version of the proposed budget was essentially the same as the preliminary version of the budget that the staff presented last month except for the following changes:

- the additional assignment of the *M/V Sankaty* on the Martha's Vineyard route during the 2018 peak summer season, during which time it will be single-crewed to provide three round trips Mondays through Fridays;
- the addition of a partial year of depreciation of the *M/V Martha's Vineyard* mid-life refurbishment project and the new generators that are being installed in the *M/V Governor*;
- the assignment of the *M/V Woods Hole* to the Nantucket route instead of the Martha's Vineyard route from September 8 through October 22, 2018; and
- a reduction in the amount of maintenance expenses expected to be incurred during 2018.

Nevertheless, Mr. Murphy said, the Authority's projected net operating income did not change very much as a result of all of these revisions.

Mr. Murphy then noted that, in 2018, the Authority's operating expenses were now expected be \$97,840,000, which is an increase of \$4,305,000 (or 4.6%) over the current estimate for 2017, and that significant changes included the following:

- Payroll expense was expected to increase by \$1,472,000 (or 4.3%).
- Healthcare costs were expected to increase by \$591,000 (or 7.4%).
- Depreciation expenses were expected to increase by \$1,542,000 (or 15.3%) because of a full year's depreciation of both the temporary Woods Hole

terminal building and the new administrative office building, as well as a partial year's depreciation of the costs associated with the *M/V Martha's Vineyard* mid-life refurbishment and the *M/V Governor's* new generators.

- Vessel fuel oil was expected to increase by \$702,000 (or 11.8%).
- Vessel maintenance expense was expected to increase by \$1,580,000 (or 25.1%) because of the need to dry-dock six of the SSA's vessels next year (*M/V Sankaty*, *M/V Nantucket*, *M/V Katama*, *M/V Eagle*, *M/V Island Home* and *M/V Iyanough*).
- Terminal, dolphin and dock repairs were expected to decrease by \$1,331,000 (or 55.7%).

Mr. Murphy also advised the Members that, in 2018, the Authority's total operating revenues were projected to be around \$105,809,000, representing a \$2,729,000 (or 2.6%) increase from this year's currently estimated revenues. In this regard, Mr. Murphy noted that the Authority's projected revenues for 2018 were based upon its traffic levels from August 2016 through July 2017 except for the number of passengers carried on the *M/V Iyanough*, which was out of service for approximately a month in June and July this year. For that vessel's projected revenues, Mr. Murphy said, the staff was using its traffic levels from June and July 2016 instead of June and July 2017.

Mr. Murphy stated that, as a result, the staff was projecting a net operating income next year of around \$7,205,000 without any rate increases, while the Authority's transfers to the sinking fund to make its bond interest and principal payments will total approximately \$10,043,400. Mr. Murphy also stated that, at the moment, the staff was estimating that, in 2018, the Martha's Vineyard route will generate 56.7% of Authority's revenues and the Nantucket route will generate 43.3%, while 59.6% of the Authority's cost of service will be allocated to the Martha's Vineyard route and 40.4% to the Nantucket route.

Mr. Jones thanked Mr. Murphy for the staff's proposed operating budget, observing that, as prior budgets, it was very complete and detailed, although he expressed some concern that revenues from the Martha's Vineyard route were not projected to cover the cost of that route's service next year. But Mr. Davis recounted how, in past years, there had been some concern that revenues from the Nantucket route had not been covering the cost of that route's service and, to address that situation, the Authority had adopted a policy that created a "deadband corridor" when considering each route's rate adjustments to account for the cyclical nature of each route's expenses (due to which vessels are being dry-docked and which terminals are having dolphin and dock work performed). Mr. Davis also noted that next year's projected expenses for the Martha's

Vineyard route do not increase that route's expenses over the past ten years to a point where they exceed that "deadband corridor" and, as a result, there is no need next year to adjust that route's fares in order to meet its cost of service. In addition, Mr. Davis assured the Members that the reduction in the Authority's anticipated maintenance expenses next year reflected only the staff's estimate of what work realistically will be able to get done next year, and that the reduced amount of maintenance expenses would not create any safety issues.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to adopt the Authority's 2018 Operating Budget as proposed by management in Summary #A-616, dated October 11, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Dry-Dock and Overhaul Services for the M/V Island Home:

Mr. Davis asked the Members to award Contract No. 07-2017, "Dry-Dock and Overhaul Services for the *M/V Island Home*" to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,970,734. Mr. Davis noted that major work under this contract includes conversion of the bow thrusters from electric drive to diesel drive to increase their reliability without changing their operating characteristics, replacement of the rescue boat cradle and OFE rescue boat; upgrading the steering system, installing a redundant fire/bilge pump, installing a cell phone booster system, a whistle on the Woods Hole end pilothouse, and capstans.

In response to a question from Mr. Jones, Mr. Walker stated that the conversion of the vessel's bow thrusters from electric drive to diesel drive would not result in more horsepower, but was instead being undertaken because the frequency drives for the current bow thrusters were obsolete and the cost to replace them approached the cost to convert them to diesel drives. Mr. Walker

also noted that, earlier this year, the vessel had been operating without its bow thrusters for several weeks.

Mr. Jones then commented that, while riding on the *M/V Island Home* from Woods Hole that morning, there had been a tremendous vibration in the stern, and he asked whether the proposed propeller repairs will correct that vibration. In response, Mr. Walker stated that he thought the vibration was simply due to the vessel coming out of the dock pretty fast and the rudder being hard over while the vessel was making a turn.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to award Contract No. 07-2017 for dry-dock and overhaul services for the M/V Island Home to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,970,734.00, as recommended by management in Staff Summary #E-2017-10, dated October 11, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>        </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Vineyard Haven Seawall Repairs 2017 Contract:

Mr. Davis then asked the Members for authorization to award Contract No. 13-17R, "Vineyard Haven Seawall Repairs 2017," to the lowest eligible and responsible bidder for the contract when bids are opened on October 25, 2017. Mr. Davis stated that the terminal's existing concrete seawall needs to be reinforced because it has been undermined by propeller wash and that, to correct this, the contract will require the installation of 100 linear feet of sheet piling in front of the existing seawall, new concrete to fill the voids that have been created, and replacing the existing steel expansion system between the concrete pier and asphalt parking lot to re-establish full support of that seawall.

After Mr. Davis also stated that the work was estimated to cost \$408,480, Ms. Gladfelter noted that bids for a contract sometimes are considerably higher than the engineer's estimate for the work. Therefore, Ms. Gladfelter clarified that the Members were authorizing Mr. Davis to award the contract even if the amount of the bid from the lowest eligible and responsible bidder ends up being higher than the cost estimate for the work, as the work is something that needs to be done.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No.13-2017R, "Vineyard Haven Seawall Repairs 2017," to the lowest eligible and responsible bidder for the contract after bids therefor are opened (which bid opening is currently scheduled for October 25, 2017), as recommended by management in Staff Summary #E-2017-11, dated October 11, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco then reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including:

- The construction of the Authority's new administrative office building and the Woods Hole terminal reconstruction project;
- The progress of the M/V Martha's Vineyard mid-life refurbishment project;
- The staff's proposed modified 2018 Summer Operating Schedules for the Martha's Vineyard route, with respect to which Nantucket Port Council member Nathaniel E. Lowell had provided constructive comments based upon his expertise and the Port Council had recommended be approved by the Members;

- The proposed renewal of the Authority's license agreements with all of its licensed private ferry operators; and
- The proposed 2018 operating budget, which the Port Council also had recommended be adopted by the Members.

Public Comment:

Mr. Santoro stated that he want to publicly thank and recognize Ms. Tobin and her staff at the Oak Bluffs terminal for a great summer despite several challenges this past year. Mr. Santoro also recognized the Oak Bluffs Police Department, which he said did a fantastic job efficiently loading and unloading the ferries and moving traffic along with the two additional officers who were assigned to this location over summer. In this regard, Mr. Santoro noted that all of the Town of Oak Bluffs' embarkation fees go to providing police support staffing during the summer.

Mr. Santoro also thanked the Members for extending the season for the Oak Bluffs terminal next year, noting that it will open earlier in May and close later in October than it did this year. Mr. Santoro observed that, in turn, the Town has improved its infrastructure for the terminal with a new boardwalk and fishing pier, and also has undertaken a new streetscape project.

After Mr. Santoro noted that the Authority had cancelled a few trips in and out of Oak Bluffs this past season due to weather, he asked whether the protocol had changed for deciding whether to cancel a trip. In the past, Mr. Santoro said, the Authority stated that decisions whether to cancel any trips were made on a trip-by-trip basis, while this past summer the Authority had announced the cancellation of several trips at one time. In response, Mr. Davis stated that the protocol for deciding whether to cancel a trip had not changed, but that if the weather conditions are such that the freight boat is not able to dock at Oaks Bluffs and it is clear from the weather forecast that subsequent freight boat trips will also have to be diverted to Vineyard Haven, the Authority sometimes makes the decision to cancel those later trips as well so that customers on those trips will know sooner rather than later that they will be traveling to or from Vineyard Haven instead of Oak Bluffs.

Then, at approximately 11:36 a.m., Ms. Tierney entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of those matters may have a detrimental effect on the Authority's bargaining positions. After Ms. Tierney announced that these matters included the Authority's negotiations with Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's unlicensed vessel employees, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
October 17, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 17, 2017 Meeting Memorandum, dated October 11, 2017.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the September 26, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of August 2017.
5. Staff Summary #GM-689, dated October 16, 2017 – Contract Pursuant to Comm. Of Mass. COMMBUYS Master Blanket Purchase Order OFF38 for the Administrative Offices Furniture.
6. Staff Summary #GM-688, dated October 10, 2017 – Contract No. 12-2017 “Demolition of the Woods Hole Terminal Building.”
7. PowerPoint Presentation – M/V Martha's Vineyard Mid-Life Project Update, October 17, 2017.
8. Staff Summary #L-471, dated October 10, 2017 – Approval of the Report on the SSA's Proposed Summer Operating Schedules and Recommended Modifications to Those Schedules.
9. Staff Summary #RCR-01-2017, dated October 10, 2017 – 2018 Reservation Timeline.
10. Staff Summary #L-470, dated October 10, 2017 – Renewal of License Agreements with Private Ferry Operators.
11. Staff Summary #A-616, dated October 11, 2017 – Proposed 2018 Operating Budget.
12. Staff Summary #E-2017-10, dated October 11, 2017 – Contract #07-17, “Dry-dock and Overhaul Services for the *M/V ISLAND HOME*.”
13. Staff Summary #E 2017-11, dated October 11, 2017 – Contract #13-17R (Rebid), “Vineyard Haven Seawall Repairs 2017.”
14. Minutes of the Port Council's October 4, 2017 Meeting (draft).
15. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**November 21, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of November, 2017, beginning at 9:30 a.m., in the Cultural Center of the Falmouth Historical Society's Museums on the Green, located at 55 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council member Robert V. Huss were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T. H. Claffey; Director of Engineering and Maintenance Carl R. Walker; Reservations and Customer Relations Manager Gina L. Barboza; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Tierney announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meeting in public session on October 17, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Food Concession Contract:

Mr. Davis then asked the Members to award the Authority's new Food Concession Contract to Centerplate (formerly known as Boston Concessions Group and then Boston Culinary Group), of Stamford, Connecticut, which he noted has been the Authority's food concessionaire since 1993. Mr. Davis recounted how, because Centerplate's current five-year contract will expire at the end of this year, in August the staff had issued a request for proposals (RFP) from food concessionaires interested in a new five-year contract beginning January 1, 2018 (with an option to extend that contract for another five years if both parties agree). Mr. Davis noted that Centerplate was the only firm that submitted a proposal in response to the RFP, and that this was the third time over the past 15 years that Centerplate has been the only firm that has submitted a proposal in response to the Authority's RFP for a new food concession contract.

Mr. Davis observed that Centerplate has served the Authority well over the years and stated that, prior to the opening of Centerplate's financial proposal, the evaluation committee had rated Centerplate as being "highly advantageous" with respect to its background, operating experience and proposed operating plan. Mr. Davis also noted that, at their meeting earlier this month, the Port Council also had voted to recommend that the Members award the new Food Concession Contract to Centerplate.

Centerplate Senior Vice President David Oberlander thanked the Members for providing Centerplate with the opportunity to serve the Authority over the years, and stated that he looked forward to another ten years with the Authority, as Centerplate loves the strategic challenge of serving the Authority's operations and it constantly strives to improve its operations. Mr. Oberlander also noted that, on November 13, 2017, Centerplate had entered into an agreement to become acquired by Sodexo, but he assured the Members that the Authority will continue to work with the same people it has worked with in the past and that

Centerplate's current team will remain in place. In this regard, Mr. Oberlander noted the Centerplate's executive team will continue to manage Sodexo's North American operations.

After observing that it always concerns him when a corporation merges with another corporation, Mr. Jones asked Mr. Oberlander whether Sodexo's management team has the same philosophies as Centerplate's management team or whether it will attempt to make changes to Centerplate's operations after the acquisition. In response, Mr. Oberlander stated that he did not foresee any changes to Centerplate's current philosophies and operations, especially since Centerplate CEO Chris Verros will continue to be CEO of Sodexo's North American operations.

In response to another question from Mr. Jones, Mr. Oberlander stated that Centerplate would be willing to discuss with the Authority the possibility of selling on a limited basis items of apparel that make sense, such as hats, although he noted that it would be a problem to sell shirts on the ferries because their different sizes would increase the amount of time needed to process each transaction. Mr. Jones agreed, saying that he envisioned Centerplate selling items that will have minimal impact on its operations. Mr. Jones also noted that, if Centerplate's merchandise operations did not work out, the Authority would consider whether to sell items of apparel itself.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Jones -- to award Contract No. 06-2017 for the Authority's new Food Concession Contract to Centerplate of Stamford, Connecticut, for the period of January 1, 2018 through December 31, 2022, with an option, which must be mutually agreed upon, to extend the contract period an additional five years from January 1, 2023 through December 31, 2027, as recommended by management in Staff Summary #A-618, dated November 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for September 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried fewer passengers (down 7.0%), fewer automobiles (down 9.1%) and fewer trucks (down 4.2%) during the month than it had carried during the same month in 2016, and that the Authority also had parked fewer cars that month (down 5.4%) than it had parked in September 2016. Mr. Davis stated that the reason for this decline had been Hurricane Jose that came through the area during the third week of September, causing all service on the Nantucket route to be cancelled for three days. Indeed, Mr. Davis said, in September 2017, the Authority had cancelled 96 trips on the Martha's Vineyard route and 80 trips on the Nantucket route due to high winds and sea conditions.

Mr. Davis further reported that, for the first nine months of 2017, the Authority had carried fewer passengers (down 3.2%), fewer automobiles (down 0.76%) and more trucks (up 3.2%) than during the first nine months of 2016, and noted that, during this same period, the Authority's total operating income had been around \$14,956,000, approximately \$2,250,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$2,258,000 lower than projected and its operating expenses, fixed charges and other expenses had been \$4,508,000 lower than anticipated, primarily due to actual expenses for a number of maintenance and repair projects coming in lower than the amounts originally budgeted for those projects during this time period.

Mr. Davis also reported that the Authority's net operating income for the month of September had been around \$3,717,000, approximately \$476,000 lower than what had been projected, with operating revenues and other income \$671,000 lower than projected, and operating expenses, fixed charges and other expenses \$195,000 lower than projected. Mr. Davis further reported that the Authority's fund balances remained in decent shape, although he noted that the staff would continue to monitor them because the most recent estimate indicated that transfers to the Replacement Fund will be slightly less than budgeted.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Walker reported that the work for the mid-life refurbishment of the *M/V Martha's Vineyard* was progressing well, that the shipyard had rounded the corner from "destruction" work to "construction" work, and that the steel replacement was 95% complete. Mr. Walker then gave a PowerPoint presentation on the progress of the shipyard work, noting that:

- the top part of the vessel has been painted;
- the vessel's windows have been installed;
- the railings are going up;
- the flooring is being installed in the crew area and will begin to be installed in the passenger area next week;
- the elevators are being installed;
- the bow doors are in place waiting for final alignment and gaskets;
- the main gear boxes have returned from Louisiana where they were repaired; and
- the two generators have been replaced, and a third generator has been added.

Mr. Walker also reported that he now expected all of the contract's change orders to end up somewhere between \$1,200,000 and \$1,300,000, primarily due to the need for additional steel replacement, and that Senesco had requested what he thought was a justified extension until February 16, 2018 to complete its work and deliver the vessel back to the Authority's Fairhaven Vessel Maintenance Facility. Mr. Walker assured the Members that he was comfortable with that extension and that the Authority will still have sufficient time to complete the small amount of additional work it needs to perform on the vessel itself before the vessel resumes service on the Martha's Vineyard route as scheduled on March 3, 2018. Mr. Walker also noted that Senesco has promised to try to meet the original schedule and limit the extension as much as possible. In this regard, Mr. Walker stated that Senesco was doing everything it can to meet the schedule and would even be working over the Thanksgiving weekend.

Construction of the Authority's New General Offices:

Mr. Davis reported that the construction of the Authority's new administrative office building was progressing well, with the third floor getting closer to a finished state. Mr. Davis stated that the contractor also has installed the

drywall and glass partitions on the second floor and will be pouring the gypcrete flooring later that week, but that more work needed to be done with respect to the insulation of piping and HVAC. On the first floor, Mr. Davis said, the electricians were working on wiring the computer room, while plumbing and HVAC was also ongoing for the rough inspection so that the drywall and glass partitions can similarly be installed on that floor.

Mr. Davis also reported that the building was still expected to be completed by January 17, 2018, and that the staff has placed the order for the building's furniture with W.B. Mason, which has a state contract for office furnishings and will start to install the furniture the week of December 18, 2017. Mr. Davis noted that the furniture will be installed floor-by-floor, beginning with the third floor, and that the installation will take a week to ten days for each floor.

Mr. Davis further reported that the building's current cost estimate was \$13,051,000, which represented the \$12,687,000 original contract amount plus \$364,000 in change orders, and that to date the Authority had paid \$8,380,000 of that amount (about 64%) to the contractor. Mr. Sayers then gave a PowerPoint presentation on the progress of the building's construction.

#### Temporary Woods Hole Terminal Building:

Mr. Davis reported that the Authority's Maintenance and MIS employees have pretty much wrapped up the minor final items for the temporary Woods Hole terminal building, but that the staff realized that the Authority needed to address the wind coming into the lobby from the waterfront. Therefore, Mr. Davis said, the Authority will be installing air curtain units above the building's lobby doors before opening the building to the public, and the installation work will not be completed until the week of December 8, 2017. But Mr. Davis stated that the staff still hoped to begin conducting the Authority's Woods Hole ticket selling operations from the building before Christmas, while also leaving the waiting area in the existing ticket office open until that building is demolished in February 2018.

Mr. Davis noted that the current cost of the building was \$2,627,000, which represented the \$2,591,000 original contract amount plus \$36,000 in change orders, although he advised the Members that those amounts did not include one more change order for the additional work the site contractor had to perform to connect the building to the Town's sewer system, which he said will be somewhere in the range of \$60,000 to \$65,000.

Woods Hole Terminal Reconstruction Project:

Mr. Davis also reported that around 50 firms and individuals have copies of the invitation for bids package for the Woods Hole terminal reconstruction project's waterside work (Phases 2-4) contract and that, to date, the Authority's design team has issued eight addenda to that package. Mr. Davis further noted that, due to the number of questions and the scope of the project, the staff has decided to extend the deadline for the submission of bids to November 28, 2017, and that the Board has scheduled a special meeting on December 5, 2017 to award the contract.

Request from Island Commuter Corp. to Provide Additional Service:

Mr. Davis asked the Members to approve a license agreement with Island Commuter Corp. (ICC) allowing the *M/V Island Queen* once again to start its summer schedule one week earlier in June 2018 than it otherwise would be allowed under the Authority's enabling act, and also allowing it to provide two more daily trips between Falmouth and Oak Bluffs on Mondays through Thursdays of the *M/V Island Queen's* spring and fall schedules so that there is at least one morning trip from Oak Bluffs and one afternoon trip from Falmouth. Mr. Davis noted that, for the last four years, the Authority has allowed ICC to provide additional service with the *M/V Island Queen* by beginning its summer schedule one week earlier in June, and that last year the Authority also allowed ICC to provide an additional round trip between Falmouth and Oak Bluffs on Mondays through Thursdays during its spring and fall schedules. Mr. Davis stated that those additional trips during ICC's spring and fall schedules have addressed complaints from the public about the lack of service being provided by the *M/V Island Queen* after Labor Day when, on Mondays through Thursdays, there previously had been no afternoon trips from Falmouth or morning departures from Oak Bluffs.

After Mr. Davis reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the staff's proposed license agreement with ICC, Mr. Jones asked whether, prior to four years ago, the Authority had ever given ICC permission to operate more trips than it was allowed to under the Authority's Enabling Act. In response, Mr. Sayers stated that the only instances of which he was aware were in the 1980s and possibly the early 1990s when the Authority had allowed ICC to carry members of the Woods Hole Golf Club back and forth to one of the islands once a year to play golf.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to execute a new license agreement with Island Commuter Corp. ("ICC") allowing it to provide the additional trips highlighted on the schedules attached to Staff Summary #L-472, dated November 14, 2017, provided that ICC pays the Authority license fees equal to fifty percent (50%) of the Authority's average revenue per passenger on the Martha's Vineyard route in June 2017 for each passenger carried on each of those additional trips, as recommended by management in Staff Summary #L-472, dated November 14, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Memorandum of Understanding with  
the Cape Cod Regional Transit Authority:

Mr. Davis asked the Members to approve a memorandum of understanding with the Cape Cod Regional Transit Authority (CCRTA) regarding certain grant funds received by the CCRTA from the Federal Transit Administration (FTA). Mr. Davis recounted how, in late 2015, the CCRTA had asked the Authority to take steps to become eligible to participate in the National Transit Database (NTD) program for possible funding opportunities from the FTA and how, with the CCRTA's assistance and guidance, the Authority applied for and was accepted to participate in that program beginning with its 2015 activities related to its shuttle bus service and its three ferry routes between Woods Hole and Vineyard Haven, Woods Hole and Oak Bluffs, and Hyannis and Nantucket.

Mr. Davis stated that, as a result of financial and traffic data the Authority submitted to the FTA related to those 2015 activities, the CCRTA, as the designated recipient for Barnstable Urbanized Area (UZA) grant funds, has received an additional \$3,142,840 of grant funds from the FTA based principally on a

combination of the number of miles the Authority operated and the number of passengers it carried. Mr. Davis further stated that, in turn, the CCRTA has offered to enter into this memorandum of understanding with the Authority pursuant to which it will provide the Authority with 50% of those grant funds (or \$1,571,420) to help finance certain of the Authority's projects and services in and around the Barnstable UZA.

In response to a question from Ms. Tierney, Mr. Davis stated that the Authority will be able to use those funds for any capital projects, including the acquisition of future parking lots, as well as preventative maintenance. However, Mr. Davis noted that, if the funds are used for capital equipment (such as buses), the equipment will be owned by the CCRTA and leased to the Authority. For that reason, Mr. Davis said, he felt that the funds might best be used for preventative maintenance. In response to a question from Ms. Gladfelter, Mr. Davis stated that eligible preventative maintenance expenses included not only expenses for the Authority's buses, but also dry-docking and other maintenance expenses for its vessels

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute a Memorandum of Understanding with the Cape Cod Regional Transit Authority (CCRTA) relative to grant funds by the CCRTA from the Federal Transit Administration related to the Authority's 2015 activities, as recommended by management in Staff Summary #GM-690, dated November 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Approval of the Authority's 2018 Fall Operating  
Schedules and Its 2018 High-Speed Operating Schedules:

Mr. Davis asked the Members to approve the staff's proposed 2018 Fall Operating Schedules and the 2018 High-Speed Operating Schedules, noting that the Authority advertised these proposed schedules in local newspapers in September, but did not receive any public comments on them. Mr. Davis also noted that:

- During the entire fall schedule for the Martha's Vineyard route, the freight boat will berth overnight on the island and its first departure from there will be at 5:30 a.m. As a result, only the *M/V Island Home* will berth overnight in Woods Hole (with its first departure at 6:00 a.m.) due to the anticipated construction that will be taking place there, and there will be no 5:30 a.m. freight boat from Woods Hole during that entire schedule.
- The Nantucket route will have six daily round trips available to operate during the entire fall schedule with the *M/V Nantucket* (because the *M/V Eagle* will be out for a required dry-docking and overhaul) and a freight boat each providing up to three daily round trips. The *M/V Gay Head* will be the freight boat assigned to the route for most of the schedule, but the *M/V Woods Hole* will take its place from November 16 through December 3, 2018 to provide additional vehicle capacity during the week of Thanksgiving and additional passenger capacity for the Nantucket Stroll.
- The summer portion of the *M/V Iyanough's* operating schedule, when the vessel provides five daily round trips instead of four, will start five days earlier and end seven days later than it did in 2017.

Mr. Davis also reported that, at their meeting earlier that month, the Port Council had voted to recommend that the Members approve the schedules as proposed.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the Authority's 2018 Fall Operating Schedules and its 2018 High-Speed Operating Schedules as proposed by management in Staff Summary #TPF-2017-11, dated November 14, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Designation of Additional 2018 Summer  
Schedule Trips as Hazardous Cargo Trips:

Mr. Davis informed the Members that, last month, when the staff revised the Authority's 2018 Summer Operating Schedules for the Martha's Vineyard route in response to the public comments the Authority received about those schedules, they omitted designating the *M/V Governor's* 7:30 a.m. trips from Woods Hole and its 11:05 a.m. trips from Vineyard Haven on Saturdays during the peak summer season (June 19, 2018 through September 7, 2018) as hazardous cargo trips. Mr. Davis further stated that the staff also realized that the 5:30 a.m. freight trip from Hyannis and the 1:30 p.m. freight trip from Nantucket on Saturdays during the 2018 Summer Operating Schedules similarly have to be designated as hazardous cargo trips. Therefore, Mr. Davis said, the staff has corrected those errors, although he clarified that those freight trips were already scheduled to operate on Saturdays and that the only changes were to designate them as hazardous cargo trips, not to change the schedules by adding more trips.

In response to a question from Ms. Gladfelter, Mr. Davis observed that the Authority has to designate which of its trips are hazardous cargo trips ahead of time because the number of passengers the Authority is allowed to carry on those trips is limited to each vehicle's driver and one helper. Therefore, Mr. Davis said, it is difficult for the Authority to change a regular trip to a hazardous cargo trip after regular customers book reservations on that trip. Conversely, Mr. Davis said, the Authority can easily change a hazardous cargo trip to a regular trip in the event no shippers carrying hazardous cargo make any reservations for that trip.

Renewal of Transportation Agreement with the  
Martha's Vineyard Regional High School District:

Mr. Murphy then asked the Members to authorize the renewal of the Authority's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2018 through June 30, 2019, recounting how every year the Authority enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st), and that the fixed price is intended to reflect approximately a 50% discount over applicable tariff rates (which is the discount normally given to island schools, including the Nantucket public schools). Mr. Murphy also noted that, for each of the last seven years, the agreement has established a fixed price of \$60,000, which has reflected approximately a 50% discount over applicable tariff rates, but that the staff was proposing to reduce the fixed price under the new agreement next year to \$55,000, as the amount of school-approved travel has decreased the past few years and the Authority is not implementing any rate adjustments for 2018.

Mr. Murphy also reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the transportation agreement as proposed by the staff.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to authorize the General Manager to execute a new transportation agreement with the Martha's Vineyard Regional High School District for approved school-related transportation for a fixed price of \$55,000 for the period from July 1, 2018 through June 30, 2019, as proposed by management in Staff Summary #A-617, dated November 15, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Vineyard Haven Seawall Repairs 2017 Contract:

Mr. Davis informed the Members that, in accordance with the authorization they had given him last month, he had awarded Contract No. 13-2017R (Rebid) for the 2017 Vineyard Haven Seawall Repairs to the lowest eligible and responsible bidder for the contract, Robert B. Our Co., Inc., of North Harwich, Massachusetts, for the Total Contract Price of \$348,325, noting that the estimate for the work had been \$408,480. Mr. Davis also noted that because the terminal's old concrete seawall has been undermined by propeller wash, the contract requires the installation of 100 linear feet of sheet piling in front of the existing seawall, new concrete to fill the voids that have been created, and replacing the existing steel expansion system between the concrete pier and asphalt parking lot to re-establish full support of that seawall.

Dry-dock and Overhaul Services for the M/V Nantucket:

Mr. Davis then asked the Members to award Contract No. 17-2017 for dry-dock and overhaul services for the *M/V Nantucket* to Senesco Marine, LLC, of North Kingstown, Rhode Island, the lowest eligible and responsible bidder of the three shipyards that had submitted bids for that contract, for a Total Contract Price of \$1,595,205. Mr. Davis noted that the *M/V Nantucket* is scheduled to go into the shipyard in March 2018 to undergo a U.S. Coast Guard hull examination, machinery inspections, underwater hull cleaning and painting, exterior sandblasting and painting, freight deck steel replacement, rescue boat davit replacement, and passenger seating modifications.

**IT WAS VOTED -- upon Mr. Jones' motion, seconded by Ms. Gladfelter -- to award Contract No. 17-2017 for dry-dock and overhaul services for the M/V Nantucket to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,595,205.00, as recommended by management in Staff Summary #E 2017-14, dated November 16, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Site Work at 123 School Street, Hyannis, Massachusetts:

Mr. Davis then asked the Members to award Contract 18-2017 for site work improvements to the Authority's upper School Street parking lot next to the Hyannis terminal to the lowest eligible and responsible bidder for the contract, Edward Paige Corp. of Norwell, Massachusetts, for a Total Contract Price of \$134,377. Mr. Davis noted that, under the contract, the contractor will install a new stormwater management system, a new gravel base, bituminous pavement, pavement markings and curbing, as well as new lighting, fencing and landscaping and that, after the work is finished, the Authority will have thirteen more parking spaces at this location.

Mr. Jones noted that, if Shoestring Properties' development project is approved at the corner of School and South Streets, all of the electrical service on School Street will be placed underground, and he asked what effect that will have on the Authority's electrical service when the electrical pole and transformer at the corner of the Authority's property is removed. In response, Mr. Walker stated that all of the Authority's electrical service is already underground from that pole, which is the last electrical pole on School Street, that the removal of the pole would not be the Authority's responsibility, and that none of the work inside the Authority's property will be affected if Shoestring Properties places all of its electrical service underground.

**IT WAS VOTED -- upon Mr. Jones' motion, seconded by Ms. Gladfelter -- to award Contract No. 18-2017 for site work at 123 School Street, Hyannis, Massachusetts to Edward Paige Corp. of Norwell, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$134,377.00, as recommended by management in Staff Summary #E-2017-12, dated November 16, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Procurement of a New Accounting System  
Without the Reissuance of a Request for Proposals:

Mr. Davis then recounted how, earlier this year and after many months developing all of the specifications for the Authority's new accounting system, the staff had issued a Request for Proposals (RFP) from vendors for the new system; but that, unfortunately, the Authority had received only two proposals in response to the RFP and both proposals were nonresponsive to the RFP's requirements. Mr. Davis also recounted how the staff had followed up with RSM, the Authority's consultant for the project, as well as other firms that the staff had expected to submit proposals to provide the new accounting system, but had been unable to identify any particular requirement in the RFP that potential providers of the system found problematic. Accordingly, Mr. Davis said, it appeared that, as a practical matter, the Authority will need to negotiate directly with one or more accounting system providers to obtain the accounting system that it needs, and he therefore asked the Members to waive the provision in the Authority's Procurement Policy that ordinarily would require this contract to be awarded pursuant to an RFP.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to waive the requirement in the Authority's Procurement Policy that the contract for the Authority's new accounting system be awarded pursuant to a request for proposals, and also to authorize the General Manager to negotiate directly with one or more accounting system providers to obtain the Authority's new accounting system, as recommended by management.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Port Council's Report:

Mr. Balco then reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including:

- The construction of the Authority's new administrative office building and the temporary Woods Hole terminal building;
- The progress of the *M/ V Martha's Vineyard* mid-life refurbishment project;
- The staff's proposed transportation agreement with the Martha's Vineyard Regional High School District;
- The staff's proposed renewal of the Authority's license agreement with Island Commuter Corp. to continue to allow the *M/ V Island Queen* to make more trips than it is allowed under the Authority's Enabling Act;
- The staff's proposed Memorandum of Understanding with the Cape Cod Regional Transit Authority, which the Port Council, after determining what the Authority would be receiving under that agreement, concluded made sense for the Authority to execute; and
- The staff's proposed renewal of the Authority's Food Concession Contract with Centerplate, which the Port Council recommended after eating all of Centerplate's products.

Potential Freight Ferry and Barge Service  
between New Bedford and Martha's Vineyard:

Ms. Gladfelter asked Mr. Davis if he could provide the Members with an update next month on the staff's continuing investigations of a potential freight ferry service between New Bedford and Martha's Vineyard and the possibility of barging municipal solid waste from Martha's Vineyard to New Bedford.

Public Comment:

Ms. Tierney stated that she and Mr. Hanover had received compliments from a Martha's Vineyard resident regarding Woods Hole Terminal Agent Scott Goulding, and that the resident said that Mr. Goulding could not have been more accommodating and more helpful. Mr. Parent noted that the resident also had written a letter to the Authority complimenting Mr. Goulding, and that the letter had been passed on to Mr. Goulding.

Then, at approximately 10:46 a.m., Ms. Tierney entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of those matters may have a detrimental effect on the Authority's bargaining positions. After Ms. Tierney announced that these matters included the Authority's negotiations with Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's unlicensed vessel employees, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would not reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
November 21, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 21, 2017 Meeting Memorandum, dated November 16, 2017.
2. Minutes of the October 17, 2017 Meeting in Public Session (draft).
3. Business Summary for the Month of September 2017.
4. Staff Summary #A-618, dated November 15, 2017 – Requests for Proposals – Food Concession Contract – Contract No. 06-2017.
5. Staff Summary #GM-688, dated October 10, 2017 – Contract No. 12-2017 “Demolition of the Woods Hole Terminal Building.”
6. PowerPoint Presentation – M/V Martha's Vineyard Mid-Life Project Update – Steamship Authority Board Meeting – November 21, 2017.
7. PowerPoint Presentation – The Steamship Authority's New Administrative Offices – November 21, 2017.
8. PowerPoint Presentation – Temporary Woods Hole Terminal Building – November 21, 2017.
9. Staff Summary #L-472, dated November 14, 2017 – Proposed 2018 License Agreement with Island Commuter Corporation.
10. Staff Summary #GM-690, dated November 15, 2017 – Memorandum of Understanding with Cape Cod Regional Transit Authority.
11. Staff Summary #TPF-2017-11, dated November 14, 2017 – Proposed 2017 Fall Operating Schedules and 2018 High-Speed Operating Schedules.
12. Staff Summary #TPF-2017-12, dated November 15, 2017 – Designation of Additional Trips during the 2018 Martha's Vineyard and Nantucket Summer Operating Schedules as Hazardous Cargo Trips.
13. Staff Summary #A-617, dated November 15, 2017 – Transportation Agreement with M.V. Regional High School District.
14. Staff Summary #E 2017-13, dated November 16, 2017 – Contract No. 13-2017R (Rebid), “Vineyard Haven Seawall Repairs 2017.”

15. Staff Summary #E 2017-14, dated November 16, 2017 – Contract No. 17-2017, “Overhaul & Dry-dock of the *M/V Nantucket*.”
16. Staff Summary #E-2017-12, dated November 16, 2017 – Contract #18-17, “Site Work – 123 School Street – Hyannis MA.”
17. Minutes of the Port Council’s November 8, 2017 Meeting (draft).
18. Statement to be Read Prior to Going into Executive Session.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**December 5, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 5th day of December, 2017, beginning at 10:00 a.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. Four Members were present: Vice Chairman Robert F. Ranney of Nantucket (who participated remotely by telephone conference call); Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth. Chairman Moira E. Tierney of New Bedford was absent.

The following members of management were also present: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Remote Participation by Nantucket Member Robert F. Ranney:

Mr. Jones announced that he had been notified by Vice Chairman Robert F. Ranney that he desired to participate remotely in today's meeting because his physical attendance today would be unreasonably difficult. Mr. Jones stated that he agreed with Mr. Ranney and had determined that Mr. Ranney's physical attendance today would be unreasonably difficult and that, therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Mr. Jones noted that Mr. Ranney would be participating in the meeting by telephone conference call, that he would be clearly audible to the Members, and that the Members would be clearly audible to him. Mr. Jones also stated that as a result of Mr. Ranney's remote participation in this meeting, all votes taken by the Members that day would be by roll call vote.

Authority Employee Jack Hayes:

Mr. Davis observed that the Authority was starting today's meeting on a somber note, as on Sunday afternoon a ten-year employee of the Authority, Jack Hayes, passed away in the Palmer Avenue parking lot while on duty as a shuttle

bus driver. Mr. Davis stated that everyone's thoughts and condolences were extended to Mr. Hayes' family, friends and co-workers, and he asked everyone to join him in a moment of silence in Mr. Hayes' memory.

Woods Hole Ferry Terminal Reconstruction  
Project's Phases 2-4 Waterside Contract Work:

Mr. Cloutier then introduced the four members of the design team for the Woods Hole Terminal Reconstruction Project who were attending the meeting this day: Chris Iwerks and Sela Bailey of Bertaux + Iwerks Architects LLC; Rebecca Skalaski of Childs Engineering Corporation; and Dino Fiscaletti of GZA GeoEnvironmental, Inc., and proceeded to give a PowerPoint presentation on the project's Phases 2-4 Waterside Contract Work.

In response to a question from Mr. Hanover, Mr. Cloutier confirmed that, after the project is completed, passengers will be able to board and disembark from all of the vessels that have side loading capability through their forward side doors, that the only vessel that needs to be modified for this purpose is the *M/V Martha's Vineyard*, and that those modifications were being completed during its current mid-life refurbishment. Mr. Cloutier also noted that, during Phase 2 of the project, there will be a temporary side passenger loading system built between existing Slips 1 and 2 which will service the forward side passenger doors of ferries docked in both of those slips.

In response to a question from Mr. Jones, Mr. Cloutier confirmed that, during Phases 2 through 4 of the project, the Authority will always be able to use two operating slips while one of the three slips is being reconstructed. Further, Mr. Cloutier said, the Authority will also be able to berth a vessel in the third slip during each summer season, when no construction work will be taking place on site.

In response to a question from Ms. Gladfelter, Mr. Fiscaletti stated that, while the soils excavated from the existing wharf theoretically might be able to be used during later phases of the project as fill behind the new bulkhead, the marine contractor would not be able to store those soils on site during the intervening period. Therefore, the Authority is assuming that the marine contractor will dispose of those soils and bring in other fill later in the construction. However, Mr. Fiscaletti noted that the material which is going to be dredged during Phase 4 of the project is expected to be primarily sand which will then be used to backfill the bulkhead combined with other fill brought to the site.

Award of Contract No. 16-2017 for the Phases 2-4 Waterside  
Work of the Woods Hole Ferry Terminal Reconstruction Project:

Mr. Davis then asked the Members to award Contract No. 16-2017 for the Phases 2-4 Waterside Work of the Woods Hole Terminal Reconstruction Project to Jay Cashman, Inc., of Quincy, Massachusetts, the lowest eligible and responsible bidder for the Contract, for the Total Contract Price of \$43,143,280, noting that the Authority had received seven bids by the contract, that the second lowest bidder was MIG Corporation, Inc., of Acton, Massachusetts, whose bid was in the amount of \$46,337,300, and that the highest bidder was Cianbro Corporation of Pittsfield, Maine, whose bid was in the amount of \$65,702,020.

Mr. Davis observed that Jay Cashman, Inc. has been in business since 1994, that it has more than 300 full-time employees, and that it typically self-performs the following major components of its marine construction work: heavy civil; pile driving; dock building; steel erection; carpentry; surveys; dredging; demolition; site/earth work; concrete; and mechanical work. Mr. Davis also noted that, over the last five years, Jay Cashman, Inc. has completed between \$88,000,000 and \$145,000,000 of construction contracts each year and that, based upon information on its website, it owns and maintains its own fleet of specialized equipment, including dredges, scows, barges, tugs, cranes and other heavy equipment, through its affiliate company, Sterling Equipment, which allows it to act as a single-source provider on complex marine construction projects that would otherwise require multiple subcontractors. Mr. Davis further stated that Jay Cashman, Inc.'s recent marine construction work includes the structural repairs to Pier 1 to provide a safe mooring for the USS Constitution at the Charlestown Navy Shipyard in Boston; the land reclamation project at the site of the 2017 America's Cup in Bermuda; the Marine Commerce Terminal in New Bedford; and the reconstruction of a major pier in Sunny Point, North Carolina for the U.S. Army Corps of Engineers.

Mr. Davis also observed that, because the Authority wants to minimize the potential impact of the project's construction activities on its own operations and adjacent property owners and local businesses, the reconstruction of the ferry terminal will be accomplished in phases during the "off-seasons," which begin one week after Labor Day each year and end ten days before Memorial Day the following year. Mr. Davis further noted that, during this entire project, the Authority also needs to make certain that it has two slips available for ferry operations at all times in order to maintain regular ferry operations between Woods Hole and Martha's Vineyard.

Mr. Sayers then informed the Members that Mr. Cloutier and other members of the Authority's design team for the project had met with Jay Cashman, Inc. the previous Thursday, reviewed information on which Jay Cashman, Inc. had based its bid, and confirmed that it was indeed an eligible and responsible bidder for the contract.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to award Contract No. 16-2017 for Phases 2-4 Waterside Work of the Woods Hole Ferry Terminal Reconstruction Project to Jay Cashman, Inc. of Quincy, Massachusetts, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$43,143,280, as recommended by management in Staff Summary #GM-692, dated November 30, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Change Order to Bertaux + Iwerks Architects' Design  
Contract for Construction Phase Testing Services during  
Phases 2-4 of the Woods Hole Terminal Reconstruction Project:

Mr. Davis asked the Members approve a change order to the Authority's design contract with Bertaux + Iwerks Architects (BIA) in connection with the waterside work (Phases 2-4) of the Woods Hole Terminal Reconstruction Project for BIA to provide construction phase testing services for these three phases of the project, including dynamic pile load testing (PDA) on the steel pipe piles that will support the passenger loading platforms, transfer bridges, and selected dolphins, in an amount not to exceed \$938,665. Mr. Davis noted that the services under the proposed change order would be provided on a time and materials basis over the next 4-½ years that the waterside Contract Work takes place, up to a not-to-exceed amount of \$938,665 (including BIA's contractual mark-up fee).

Mr. Davis also advised the Members that, although the Authority could have required BIA to solicit proposals from three consultants for these services, the contract provides that the Authority may waive this requirement for good cause and the staff believes that there is good cause to waive this requirement and engage GZA GeoEnvironmental, Inc. ("GZA") for these services. In this regard, Mr. Davis noted that GZA is extensively involved in the project and it is imperative that these inspection and testing services be coordinated with the other services that GZA will be providing during construction.

Mr. Davis also stated that, under the proposed change order, BIA/GZA will be responsible for providing on-site observations and testing during pile driving, structural steel erection and other related work, placement of steel reinforcement and cast-in-place concrete, excavation and compaction of fill, and installation of bituminous pavement. Over the course of the next 4-½ years, Mr. Davis said, it is estimated that these special inspections and tests will require 464 site visits, including 66 visits associated directly with field inspection and testing of marine structural steel and marine structural metal fabrications.

In response to a question from Mr. Jones, Mr. Sayers stated that the Authority did not need to procure these testing services through a further round of competitive proposals, as BIA had been selected as the designer for this project by the State Designer Selection Board in accordance with its designer selection procedures, and the standard design contract that the Authority entered into with BIA pursuant to those procedures allows for these testing services to be provided by means of a change order, as recommended by management.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve a change order to Bertaux + Iwerks Architects, LLC's design contract, in an amount not to exceed \$938,665, to provide construction phase testing services for the Woods Hole Terminal Reconstruction Project's Phases 2-4 Waterside Contract Work, as recommended by management in Staff Summary #GM-691, dated November 30, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Change Order to Bertaux + Iwerks Architects' Design  
Contract for Construction Administration Services during  
Phases 2-4 of the Woods Hole Terminal Reconstruction Project:

Mr. Davis asked the Members to approve a change order to the Authority's design contract with Bertaux + Iwerks Architects, LLC (BIA), in an amount not to exceed \$739,000, to provide construction administration services from December 1, 2017 through December 31, 2018 with respect to the Woods Hole Terminal Reconstruction Project's Phases 2-4 Waterside Work. Mr. Davis noted that the design contract has required BIA, as part of its Basic Fee, to provide not only permitting and design services for the entire project, but also construction administration services for Phase I of the project (the temporary terminal building) and the construction of the new General Offices building. But when the design contract was entered into in April 2015, Mr. Davis said, the parties decided not to try to establish what BIA's fee should be for its construction administration services for subsequent phases of the project because it had not yet been determined what materials, equipment, component systems and types of construction were to be included in the design of the project, or exactly how those phases of the Project were to proceed. Mr. Davis also noted that, given the complicated nature of Phases 2-4 of the project and the uncertainties that still lie ahead with respect to the methods by which the contractor will proceed with construction and the problems that may be encountered, the staff believes that the fairest method of compensating BIA for its construction administrative services is to consider them as Additional Services under Articles 6 and 7 of the design contract, as least for the next year.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Hanover -- to approve a change order to Bertaux + Iwerks Architects, LLC's design contract, in an amount not to exceed \$739,000, to provide construction administration services for the Woods Hole Terminal Reconstruction Project's Phases 2-4 Waterside Work, as recommended by management in Staff Summary #GM-693, dated December 1, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

Proposed Budget for Phases 2-4 of the  
Woods Hole Terminal Reconstruction Project:

Mr. Davis provided the Members with the staff's proposed budget for the waterside work (Phases 2-4) of the Woods Hole Terminal Reconstruction Project. Mr. Davis noted that the proposed budget includes Bertaux + Iwerks Architects' fees attributable to these phases of the project, the cost of the contract to demolish the existing Woods Hole terminal building, the cost of Contract No. 16-2017 which was awarded this day, the additional cost of materials to be provided by the Authority, the cost of having Owner representatives on site during the construction, and a ten percent (10%) construction contingency, for a total estimated cost of \$54,307,915. Mr. Davis stated, in response to a question from Mr. Ranney, that the Authority's Clerk of the Works would be Steve LeBaron, who also has been the Authority's Clerk of the Works during the construction of the Authority's new administrative offices, as well as the project representative for the Town of Oak Bluffs' North Bluff seawall and boardwalk project. Mr. Davis also noted that this estimate did not include the cost of the other phases of the project, and that the cost estimate the Authority received for Phases 5 and 6 of the project, which were still in the schematic design phase, was approximately \$20,000,000.

Then, at approximately 10:46 a.m., Mr. Jones entertained a motion to adjourn the meeting.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded  
by Mr. Hanover -- to adjourn the meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>90 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**Documents and Exhibits Used at the  
December 5, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Agenda for December 5, 2017 Meeting.
2. Remote Participation Statement.
3. PowerPoint Presentation – Woods Hole Ferry Terminal Reconstruction Phases 2-4 Waterside.
4. Staff Summary #GM-692, dated November 30, 2017 – Award of Contract No. 16-2017 for the Phases 2-4 Waterside Work of the Woods Hole Ferry Terminal Reconstruction Project.
5. Staff Summary #GM-691, dated November 30, 2017 – Change Order for Construction Phase Testing Services for the Woods Hole Terminal Reconstruction Project's Phases 2-4 Waterside Contract Work.
6. Staff Summary #GM-693, dated December 1, 2017 – Change Order for Construction Administration Services for the Woods Hole Terminal Reconstruction Project's Phases 2-4 Waterside Work.
7. Proposed Project Budget – Woods Hole Ferry Terminal – Waterside.

**MINUTES  
OF THE  
WOODS HOLE, MARTHA'S VINEYARD  
AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**December 19, 2017**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of December, 2017, beginning at 10:00 a.m., in the mansion of Highfield Hall and Gardens, located at 56 Highfield Drive, Falmouth, Massachusetts. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council members Eric W. Shufelt of Barnstable and Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Operations Manager Mark K. Rozum; Director of Marketing Kimberlee McHugh; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Director of Engineering and Maintenance Carl R. Walker; Reservations and Customer Relations Manager Gina L. Barboza; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

At Ms. Tierney's request, Mr. Sayers announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV, and that Rich Saltzberg of the Martha's Vineyard Times was also making an audio recording of today's meeting in public session.

Recognition of Public Officials:

Mr. Sayers also recognized Falmouth Selectman Douglas C. Brown in the audience and thanked him for attending today's meeting.

Minutes:

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meetings in public session on November 21 and December 5, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Results of Operations:

Mr. Davis then summarized the results of the Authority's operations for October 2017, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Davis reported that the Authority had carried more passengers (up 4.1%), more automobiles (up 2.7%) and more trucks (up 12.1%) during the month than it had carried during the same month in 2016, and that the Authority also had parked more cars that month (up 7.9%) than it had parked in October 2016. Mr. Davis stated that a possible reason for at least part of this increase was the additional service that the Authority provided during the latter part of October 2017 in response to an increase in demand during that time period over the past several years.

Mr. Davis also reported that the Authority's net operating income for the month of October had been around \$1,703,000, approximately \$1,676,000 higher than what had been projected, with operating revenues and other income \$1,078,000 higher than projected, and operating expenses, fixed charges and other expenses \$598,000 lower than projected. But Mr. Davis noted that the decrease in operating expenses was primarily a timing issue, observing that the Authority's maintenance expenses had been \$776,000 lower than projected because the dry-docking expenses for three vessels were incurred in different months than the month of October, as had been projected in the 2017 Operating Budget.

Mr. Davis further reported that, for the first ten months of 2017, the Authority had carried fewer passengers (down 2.5%), fewer automobiles (down 0.4%) and more trucks (up 4.1%) than during the first ten months of 2016, and he also noted that, during this same period, the Authority's total operating income had been around \$16,658,000, approximately \$3,926,000 higher than the amount projected in the 2017 Operating Budget. Mr. Davis stated that, during this period, the Authority's operating revenues and other income had been \$1,180,000 lower than projected, although its license income had been \$585,000 higher than projected, and that the Authority's operating expenses, fixed charges and other expenses had been \$5,106,000 lower than anticipated. Mr. Davis also stated that, while the Authority's fund balances remained in decent shape, the staff would continue to monitor them.

Ms. Gladfelter observed that, even though only 20% of the passengers, 14% of the cars, and 27% of the trucks the Authority had carried to and from both islands had been carried on the Nantucket route during the first ten months of 2017, those passengers, cars and trucks accounted for almost 43% of the Authority's revenues during that same time period.

Woods Hole Terminal Reconstruction Project:

Mr. Davis reported that, since the Members awarded the contract for the reconstruction of the Authority's three Woods Hole ferry slips (the Phases 2-4 waterside work of the Woods Hole terminal reconstruction project) to Jay Cashman, Inc. on December 5, 2017, the Authority's design and project management team for the project has been preparing for the start of Phase 2 next month. Mr. Davis noted that Jay Cashman, Inc. has submitted a draft project schedule that calls for it to mobilize in January and re-route the electric and telecommunications lines that run between the existing General Office building and Slip 3. After that, Mr. Davis said, the passenger loading ramps and platforms on the wharf behind the General Office building will be moved to between Slips 1 and 2, and the excavation of the wharf will not start until the General Office building is demolished in the later part of February.

Construction of the Authority's New General Offices:

Mr. Davis reported that the construction of the Authority's new administrative office building was progressing well, noting that:

- the building contractor, G&R Construction, has continued working on the building's mechanical systems, lighting and plumbing work, and the restroom tiling, on all three floors;
- the third floor has been carpeted and the finish painting is being wrapped up;
- the interior drywall and glass partitions have been installed on the second floor, and they also have poured the gypcrete flooring and installed the document room cabinets on that floor;
- the drywall and glass partitions have also been installed on the first floor;
- the top coat of asphalt in the parking area is being applied this week;
- furniture for the third floor is being delivered this week, while the furniture for the first and second floors will be delivered after January 1st; and
- the building is expected to be completed by January 26, 2018, except for the landscaping, which will be completed next spring.

Mr. Davis further reported that the building's current cost estimate was \$13,109,000, which represented the \$12,687,000 original contract amount plus \$422,000 in change orders, and that to date the Authority had paid \$8,380,000 of that amount (about 64%) to the contractor.

Temporary Woods Hole Terminal Building:

Mr. Davis reported that the Authority's temporary Woods Hole terminal building has been open to the Authority's customers and the public since 5:00 a.m. on Monday, December 4, 2017, although the Authority still has a short list of open items to complete, including installing air curtains in the lobby and indoor/outdoor carpeting on the decking as a temporary measure to keep it from being slippery over the winter. Mr. Davis also noted that, while the lobby of the old ticket office will be kept open as a waiting area until that building is demolished in February, all of the terminal's tickets sales are now taking place in the new temporary building.

Mr. Davis noted that the current cost of the building was \$2,627,000, which represented the \$2,591,000 original contract amount plus \$36,000 in change orders, although he advised the Members that those amounts did not include one more change order for the additional work the site contractor had to perform to connect the building to the Town's sewer system, which he said will be somewhere in the range of \$60,000 to \$65,000.

M/V Martha's Vineyard Mid-Life Refurbishment Project:

Mr. Walker reported that the work for the mid-life refurbishment of the *M/V Martha's Vineyard* continues to go well, noting that:

- the dry-docking of the vessel has been completed, including the bow thruster overhaul, hull work, and steering check, and the vessel will be floated on or about January 3, 2018;
- the steel work has been completed, with the last small piece finished the previous day;
- the passenger decks are 90% complete, with the joiner work 25% complete;
- the exterior painting is 90% complete and the freight deck will be painted within the next week;
- the bow and stern doors have been installed and preliminarily tested;
- the navigation console has been installed in the pilot house, and the shipyard is currently pulling the wires so that the systems can be tested beginning in mid-January;
- the new elevator on the port side of the vessel has been installed, although it has not yet been hooked up or tested;
- the food concession area and the heads are 50% complete, and the shipyard will begin to install their equipment later this week;
- the marine evacuation slide system is being installed, although it will not be deployed until the vessel returns to the Authority's Fairhaven Vessel Maintenance Facility in February so that the Authority's own crews can participate in that training; and
- the shipyard remains on track with the schedule, which now calls for the vessel to be delivered back to Fairhaven on February 16, 2018.

Mr. Walker also reported that the vessel was now starting to look like a new boat and that he looked forward to giving a PowerPoint presentation about the progress of the construction at next month's Authority meeting, when all of the work will be approximately 80% completed. Mr. Walker also stated that the shipyard remained on track with the revised schedule that calls for the vessel to be delivered on February 16, 2018 to the Authority's Fairhaven Vessel Maintenance Facility, although he noted that the schedule would be tight.

Mr. Walker also noted that the amount of change orders have increased to the point where they now have reached or slightly exceeded the amount of the budgeted contingency, which is \$1,600,000. But Mr. Walker stated that most of the change orders have been due to the need for additional steel replacement, and that the major items have been found.

In response to a question from Mr. Jones, Mr. Walker stated that the vessel is scheduled to return to service on March 3, 2018. Then in response to another question from Mr. Jones, Mr. Davis stated that the entire mid-life refurbishment project was being paid for out of the Authority's Replacement Fund.

Potential Barging of Municipal Solid Waste from  
the Island of Martha's Vineyard to New Bedford:

Mr. Sayers then reported that, the previous week, there had been another meeting to discuss how to proceed with the Authority's study of the feasibility of barging municipal solid waste from the island of Martha's Vineyard to New Bedford. Mr. Sayers noted that the meeting included the Authority's consultant, Christopher Nitchie of Tetra Tech, Tisbury Town Administrator John W. (Jay) Grande, Oak Bluffs Town Administrator Robert Whritenour, Ralph Packer of Tisbury Towing & Transportation Co., and Greg Carroll of Bruno's Rolloff, Inc., among others.

Mr. Sayers recounted how, in 2012, consultants for the Towns of Tisbury and Oak Bluffs had advised them that it would be financially impracticable to barge their waste compared to continuing to carry it in trucks on the Authority's ferries, but he stated that the staff has serious questions about several of those consultants' assumptions. Mr. Sayers noted that, at the meeting, Mr. Packer and Mr. Carroll stated that they should be able to provide the information that Mr. Nitchie needs to compare the estimated costs of the two transportation alternatives by next month and that it will probably then take another month for Mr. Nitchie to complete his analysis. At that point, Mr. Sayers said, the Authority plans on holding another meeting to review the results, and representatives from

the other towns on Martha's Vineyard will be invited to attend that meeting as well.

Potential Freight Service between  
New Bedford and Martha's Vineyard:

Mr. Sayers also reported that New Bedford Port Council member Edward Anthes-Washburn, who is also the Executive Director of the New Bedford Harbor Development Commission, has introduced the staff to the staff of MassDevelopment, the state agency that is now in charge of managing the New Bedford State Pier, and that the staff hopes to schedule a meeting with them at the beginning of January to discuss the possible use of the State Pier for freight ferry service. Mr. Sayers noted that, in August 2017, Craig Johnson of Flagship Management, Inc. issued his initial report on the feasibility of a freight ferry service between New Bedford and Martha's Vineyard, and that his report was consistent with the report that the staff issued in April 2016 regarding the operating parameters for the potential service. Mr. Sayers also noted that Mr. Johnson similarly had identified the New Bedford State Pier as a possible freight ferry terminal for the service, although he had also observed that it needs substantial repairs before it could be used for this purpose.

Mr. Sayers further reported that MassDevelopment had issued a request for proposals from maritime business and operations consultants to assist in the transition of the New Bedford State Pier's management and provide strategic analysis and advice regarding current pier operations, improving pier physical conditions, and attracting additional maritime activity and revenue. Mr. Sayers stated that proposals in response to the RFP were due by December 11, 2017, that Mr. Johnson had informed him that he was submitting a proposal in response to the RFP, and that MassDevelopment anticipated selecting one or more consultants by January 9, 2018.

Policies Prohibiting Smoking and the Use of Marijuana:

Mr. Davis asked the Members to approve the staff's proposed revisions to the Authority's Customer Handbook and Rules and Regulations Governing Public Conduct on Terminal Property to prohibit the "vaping" or other use of e-cigarettes in the same manner as the Authority already prohibits smoking, and also to prohibit the smoking or other use of marijuana anywhere in or upon any Authority vessel or on any Authority property. Mr. Davis stated that the revisions

were necessary to explicitly prohibit smoking or otherwise using marijuana anywhere on Authority vessel or property. However, Mr. Davis noted that the Authority's policies will still only prohibit the "vaping" of e-cigarettes where the smoking of regular cigarettes is similarly prohibited. For example, Mr. Davis said, customers are allowed to smoke cigarettes in designated areas at the Authority's terminals away from other passengers, but they are not allowed to smoke anywhere on any of the Authority's ferries, in any of the Authority's buildings, on any terminal ramps or in the vicinity of any passenger waiting queues, or in any other place on the terminal where the Authority specifically prohibits smoking.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve revisions to the Authority's Customer Handbook and its Rules and Regulations Governing Public Conduct on Terminal Property substantially in the forms attached to Staff Summary #L-473, dated December 11, 2017, for the purpose of prohibiting the "vaping" or other use of e-cigarettes in the same manner as the Authority already prohibits smoking, and also prohibiting the smoking or other use of marijuana anywhere in or upon any Authority vessel or on any Authority property, as recommended by management in the aforesaid staff summary.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Merchandise Program:

Mr. Davis reported that Messrs. Jones and Balco had suggested that the Authority revisit the possibility of selling a limited array of merchandise, and he recounted how the Authority had undertaken various merchandise programs in the past that included selling items from carts on board its vessels and at its terminals, operating an online merchandise program pursuant to which it sold

a number of different items such as neckties, bags, Tervis Tumblers and hats, and having Centerplate sell items on the Authority's vessels. Mr. Davis noted that, during the five years that the Authority had its online merchandise program, it had sold a total of eleven hats. Nevertheless, Mr. Davis said, Centerplate had advised him that it was willing to work with the Authority if the Members were to decide to undertake another merchandise program.

Mr. Jones then stated that he and Mr. Balco had concluded that it was worth it for the Authority to take another look at having a merchandise program, although he agreed that it would not make sense to undertake any program that had the dismal sales results as the Authority's online merchandise program. But Mr. Jones noted that the Authority had used a marketing firm for its online program that services Wall Street-type customers who want to purchase items like Vineyard Vine ties. By contrast, Mr. Jones said, the Authority's customers are on ferries traveling on vacation who do not want to spend their time going online to buy items they won't receive until after they get home. Mr. Jones stated that, in order to sell merchandise to those customers, the Authority needs an on-site, point-of-sale program with items that people want to buy and are not expensive.

In this regard, Mr. Jones observed that the Town of Barnstable's John F. Kennedy Memorial Trust Fund Committee has been selling hats for a number of years to a relatively small group of visitors and that the income from those hat sales has supported the Committee's youth sailing program. Mr. Jones noted that the Authority carries almost 3,000,000 passengers each year, which means that it does not lack an adequate number of potential buyers but rather the right product. Mr. Jones also stated that he believed that hats would be a good item to sell, as people buy them when they need shade from the sun or want to keep rain off their heads.

Accordingly, Mr. Jones declared that he thought there was a substantial potential for a good merchandise program and the Authority should do it despite the aggravation factor; but that the Authority has to look at it differently, as its last program had absolutely the wrong marketing mix. Mr. Balco agreed, saying that there is a demand for items such as hats and that each of the Authority's ferries could have its own hat so that people can collect all of them. Mr. Balco also observed that the *M/V Woods Hole* hat is extremely popular, that a hat is not an expensive purchase, and that selling them would be a good marketing device for the Authority as well.

Nevertheless, Mr. Jones stated that the staff needed to conduct more due diligence before the Members could responsibly consider whether to undertake another merchandise program. Ms. Gladfelter agreed, saying that she would like to see a written proposal that includes a description of the program's goals and what the Authority hopes the program will achieve, since selling merchandise entails some aggravation and presumably the Authority does not expect to make a significant amount of money from the program. Ms. Gladfelter also agreed that the *M/V Woods Hole* hats are popular, but she noted that the Authority has given them away as a promotional item.

Although Mr. Jones agreed with Ms. Gladfelter that the Authority needed to do its due diligence before undertaking a merchandise program, he disagreed with her opinion that it does not have a potential for generating income. In this regard, Mr. Jones observed that the Authority definitely has an audience of potential customers among the 3,000,000 passengers it carries every year.

Mr. Davis then noted that the Authority does not carry 3,000,000 different passengers each year; rather, each year the Authority's passengers make around 3,000,000 one-way trips, which means that if everyone made one round trip, then the Authority would carry at most 1,500,000 different passengers each year. But, more importantly, Mr. Davis observed that any merchandise program undertaken by the Authority would potentially take business away from retailers in the Authority's host communities who depend upon merchandise sales for their livelihood.

Mr. Hanover observed that the Authority would probably lose money again if it were to undertake another merchandise program, particularly if it were to sell hats for \$20 that cost the Authority \$15. Therefore, Mr. Hanover, said, while he could understand why the Authority might have a merchandise program for marketing purposes, he did not agree that it would result in any additional revenues.

But Mr. Jones disagreed, saying that he thought the Authority could make money on a merchandise program. Nevertheless, Mr. Jones said, he did not want to waste a lot of staff time on this endeavor, particularly with so many other projects taking place at this time. Therefore, the Members agreed to defer this subject until their April 2018 meeting and to discuss at that time whether the Authority should continue to further explore undertaking a merchandise program.

Treasurer's Report:

Mr. Murphy reported that the Authority's traffic levels during the week of Thanksgiving were higher this year than they were in 2016, with an increase of almost 7% on the Nantucket route and an increase of almost 4% on the Martha's Vineyard route. In addition, Mr. Murphy said, the Authority had carried 5% more passengers on the Nantucket route during the four-day period (Thursday through Sunday) surrounding the *Nantucket Christmas Stroll*.

Mr. Murphy also reported that the Authority similarly had carried more passengers on the Martha's Vineyard route during the first week of December 2017 than it had carried during the same week the previous year. But Mr. Davis noted that it was still too early to report on the amount of traffic generated by the Edgartown Board of Trades' *Christmas in Edgartown* earlier this month, as Hy-Line had provided service during that weekend between Hyannis and Edgartown and would not be providing its December 2017 traffic figures until next month. Hy-Line's Director of Public Affairs and Business Development, Marty Reilly, then stated that, while Hy-Line has been excited to provide service for the Board of Trades' *Christmas in Edgartown*, the weather had not been cooperative this year. Although Mr. Reilly noted that Sunday had been beautiful that weekend, there had been much rain both that Friday and Saturday.

Emergency Generator for the Fairhaven Vessel Maintenance Facility:

Mr. Davis then asked the Members to award Contract No. 08-2017 for an emergency generator for the Fairhaven Vessel Maintenance Facility to the lowest eligible and responsible bidder for the contract, Brite-Lite Electrical Co., Inc. of Weymouth, Massachusetts, for a Total Contract Price of \$302,000. Mr. Davis noted that, during power outages, the emergency generator will be able to power not only the facility's shops, but also the vessels that are in repair there.

**IT WAS VOTED -- upon Mr. Jones's motion, seconded by Ms. Gladfelter -- to award Contract No. 08-2017 for an emergency generator for the Fairhaven Vessel Maintenance Facility to the lowest eligible and responsible bidder for the contract, Brite-Lite Electrical Co., Inc. of Weymouth, Massachusetts, for a Total Contract Price of \$302,000, as recommended by management in Staff Summary #E 2017-15, dated December 12, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Dry-dock and Overhaul Services for the M/V Iyanough:

Mr. Davis then asked the Members to award Contract No. 20-2017 for dry-dock and overhaul services for the *M/V Iyanough* to the lowest eligible and responsible bidder for the contract, Fairhaven Shipyard of Fairhaven, Massachusetts, for a Total Contract Price of \$329,050. Mr. Davis stated that the *M/V Iyanough* will be stored shoreside in Fairhaven beginning January 5, 2018 and will then be in the shipyard from February 16th through March 20th for hull examination, cleaning and painting, superstructure painting, water jet inspections, and ride control inspection and maintenance.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to award Contract No. 20-2017 for dry-dock and overhaul services for the M/V Iyanough to the lowest eligible and responsible bidder for the contract, Fairhaven Shipyard of Fairhaven, Massachusetts, for a Total Contract Price of \$329,050, as recommended by management in Staff Summary #E 2017-16, dated December 12, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Purchase of Four 46-Passenger Buses:

Mr. Davis then asked the Members for authorization to purchase four 46-passenger transit buses from Anderson Blue Bird Bus Sales of Providence, Rhode Island, for a total price of \$688,820, pursuant to a contract that was competitively solicited under the Uniform Municipal Contracting Law. Mr. Davis stated that the passenger seating arrangement in these new buses will be different than the perimeter seating arrangement in the Authority's current buses because, beginning in November 2016, the National Highway Traffic Safety Administration has required all new buses of this size to be equipped with lap and shoulder belts for each driver and passenger seat. Mr. Davis noted that, to comply with this requirement, all passengers on these new buses will sit side-by-side facing forward, with rows of two seats on each side of the bus divided by a middle aisle.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to purchase four 46-passenger transit buses from Anderson Blue Bird Bus Sales of Providence, Rhode Island, for a total price of \$688,820, pursuant to a contract that was competitively solicited under the Uniform Municipal Contracting Law, as recommended by management in Staff Summary #TPF-2017-13, dated December 14, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

In response to a question from Mr. Jones, Mr. Davis stated that the staff did place an order for the additional buses after the Members previously had approved their acquisition, but that the supplier of those buses did not have any that complied with the National Highway Safety Traffic Administration's new lap and shoulder belt requirements. In response to questions from Ms. Gladfelter, Mr. Rozum stated that the Authority has 21 buses (and additional shuttle vans) and that the expected life of each bus is ten years. Mr. Rozum also stated that

the Authority has several shuttle vans which it uses in Hyannis that are fueled by compressed natural gas (CNG), but that it would be better for the Authority to have electric vans, as the only CNG fueling station in the area is located in Yarmouth.<sup>1</sup>

Port Council's Report:

Mr. Balco then reported that, at their meeting earlier this month, the Port Council had discussed all of the matters that the Members had considered that day, including:

- the construction of the Authority's new administrative office building and the opening of the temporary Woods Hole terminal building;
- the progress of the *M/V Martha's Vineyard* mid-life refurbishment project;
- the award of the contract for the reconstruction of the Authority's three Woods Hole ferry slips (the Phases 2-4 waterside work of the Woods Hole terminal reconstruction project);
- the staff's continuing investigation of the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford, and the operation of a freight ferry service between Martha's Vineyard and New Bedford;
- the staff's proposed changes to the Authority's no-smoking policies; and
- the possibility of selling merchandise again, most notably hats with the names of the Authority's ferries on them.

Mr. Balco also announced that the Port Council had voted to elect the following members to be their officers for the year 2018: Mr. Huss as Chairman; New Bedford Port Council member Edward Anthes-Washburn as Vice Chairman; and Mr. Shufelt as Secretary.

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<sup>1</sup> Reporter's Note: In addition to the 21 buses mentioned by Mr. Rozum, the Authority has three so-called "Bike Buses."

Election of Officers:

Ms. Tierney noted that, in accordance with the Authority's Enabling Act, Mr. Ranney, as the Authority's Nantucket Member, will automatically become the Authority's Chairman for the year 2018. Ms. Tierney further noted that the Enabling Act also requires the Members to elect one of themselves to be the Authority's Vice Chairman and Secretary, and she entertained motions for the election of those officers for the upcoming year.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to elect Robert R. Jones to serve as the Authority's Vice Chairman for the year 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to elect Marc N. Hanover to serve as the Authority's Secretary for the year 2018.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	<u>10 %</u>	<u>          </u>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

2018 Authority Meeting Schedule:

Mr. Davis presented the Members with a proposed 2018 Authority meeting schedule, which called for meetings on the third Tuesday of every month during the year. Ms. Gladfelter asked that the Authority's September meeting be held on the fourth Tuesday of that month (September 25th instead of September 18th), and the other Members agreed.

The Year 2017:

Mr. Ranney thanked Ms. Tierney for how well she had presided over the Authority this past year, and he then briefly described some of the Authority's accomplishments during 2017, as more fully set forth in Appendix A to these minutes. Ms. Tierney then thanked the management staff for everything they do for the Authority, saying that the Members were very appreciative of the smooth transition that had taken place from the leadership of retired General Manager Wayne C. Lamson. Ms. Tierney also observed that the Authority has the finest employees and that, based upon her own experience traveling to and from the islands on a regular basis, they are without exception helpful, courteous and respectful to the Authority's customers. After Ms. Tierney also stated that it was an honor to serve the Authority's customers and that the Members are open to discussing any of their needs, she declared that she was looking forward to another good year for the Authority with Mr. Ranney as Chairman.

Public Comment:

In response to a question from Falmouth resident John Nolan, Mr. Rozum stated that the Authority had looked into the possibility of buying electric buses, but that each of them would cost around \$750,000 compared to the \$155,000 each of its current buses cost. In addition, Mr. Rozum said, the supplier of electric buses in the United States still only has a presence on the West Coast.

Falmouth resident Maureen Nolan thanked the Authority for investigating the possibility of barging trash from Martha's Vineyard, and she suggested that the Authority's analysis should also take into account the environmental and safety impacts of transporting trash by trucks through Woods Hole and Falmouth. After Ms. Nolan stated that Martha's Vineyard should be responsible for its own trash, she asked whether the island composts any of its waste. In

response, Mr. Huss noted that two years ago the island's restaurants started composting their waste and that their efforts have grown since then.

Then, at approximately 11:22 a.m., Ms. Tierney entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of those matters may have a detrimental effect on the Authority's bargaining positions. After Ms. Tierney announced that these matters included:

- The potential ratification of a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's unlicensed vessel employees.
- The potential ratification of a tentative amendment to the Authority's collective bargaining agreement with SEIU Local 888 governing the terms and conditions of employment for the Authority's Customer Services Department employees, and a proposed participation agreement with the Massachusetts Employers/SEIU Local 888 Health and Welfare Fund;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Tierney announced that the Members would reconvene in public after the conclusion of the executive session.

**IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. Jones	10 %	
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

At approximately 11:54 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Moira E. Tierney of New Bedford; Vice Chairman Robert F. Ranney of Nantucket; Secretary Robert R. Jones of Barnstable; Marc N. Hanover of Dukes County; and Elizabeth H. Gladfelter of Falmouth.

Port Council Chairman George J. Balco of Tisbury and Port Council members Eric W. Shufelt of Barnstable and Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Robert B. Davis; Treasurer/Comptroller Gerard J. Murphy; Operations Manager Mark K. Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Ratification of Tentative Collective Bargaining Agreement:

Mr. Sayers asked the Members to ratify a tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's unlicensed vessel employees, and he stated that the agreement already had been ratified by the employees in the bargaining unit the previous day.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager and Director of Human Resources to:**

- 1. execute the tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's unlicensed vessel employees; and**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

**as recommended by management in Staff Summary #HR-17-56, dated December 11, 2017.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Ratification of Participation Agreement and  
Amendment to Collective Bargaining Agreement:

Mr. Sayers then asked the Members to ratify a tentative amendment to the Authority's collective bargaining agreement with SEIU Local 888, and a proposed Participation Agreement with the Massachusetts Employers/SEIU Local 888 Health and Welfare Fund ("Health and Welfare Fund") so that the Health and Welfare Fund can provide medical coverage for the Authority's eligible SEIU-represented employees beginning January 1, 2018.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager and Director of Human Resources to:**

- 1. execute the tentative amendment to the Authority's collective bargaining agreement with SEIU Local 888 governing the terms and conditions of employment for the Authority's Reservation Clerks and other Customer Services Department employees; and**
- 2. execute the proposed Participation Agreement with the Massachusetts Employers/SEIU Local 888 Health and Welfare Fund;**

**in substantially the forms provided to them by management that day.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

Then, at approximately 12:01 p.m., Ms. Tierney stated that she would entertain a motion to adjourn the meeting.

**IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to adjourn the meeting.**

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
<b>Ms. Tierney</b>	<b>10 %</b>	
<b>Mr. Ranney</b>	<b>35 %</b>	
<b>Mr. Jones</b>	<b>10 %</b>	
<b>Mr. Hanover</b>	<b>35 %</b>	
<b>Ms. Gladfelter</b>	<b>10 %</b>	<hr/>
<b>TOTAL</b>	<b>100 %</b>	<b>0 %</b>

A TRUE RECORD

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ROBERT R. JONES, Secretary

**APPENDIX A**  
**TO THE**  
**MINUTES**  
**OF THE**  
**WOODS HOLE, MARTHA'S VINEYARD**  
**AND NANTUCKET STEAMSHIP AUTHORITY**

**The Meeting in Public Session**

**December 19, 2017**

**Vice Chairman Robert F. Ranney's Statement**  
**Regarding the Authority's Accomplishments in 2017**

Madame Chairman, I would like to congratulate and thank you for how well you have presided over the Steamship Authority this past year, making certain that we continue to make significant progress on so many different projects while ensuring that we also continue to serve all of our respective communities. Under your leadership this past year, we have proceeded apace with the historic move of our general offices from Woods Hole to Palmer Avenue in Falmouth and the reconstruction of our Woods Hole ferry terminal, including:

- The construction of the new administrative office building, which is proceeding well and should be ready for occupancy early in 2018.
- The new temporary Woods Hole terminal building is already open to the public, and its design – particularly the navigation charts of Woods Hole and Martha's Vineyard that wrap around the building – has received great reviews.
- Finally, in just a few months we will be demolishing the old Woods Hole ticket office, which few people are going to be shedding a tear over, and beginning the reconstruction of our three ferry slips there.

Meanwhile, back in February, we awarded the contract to refurbish the *M/V Martha's Vineyard*. It left Fairhaven in September for Senesco Shipyard and is scheduled to return in February so that it can resume service on the Martha's Vineyard route in early March. We also have continued to maintain our other ferries, awarding dry-dock and overhaul contracts this year for the

*M/V Gay Head, the M/V Governor, the M/V Island Home, the M/V Nantucket and just today for the M/V Iyanough.*

We similarly have continued to maintain our land-based facilities. This year we awarded contracts to repair the pier at our Oak Bluffs terminal and the seawall at our Vineyard Haven terminal, and we have undertaken significant improvements to the School Street upper parking lot at our Hyannis terminal.

Our operations also have improved. This past summer we began issuing RFID cards to replace our paper ticket books, and the cards continue to increase in popularity. They include not only the 46-ride commuter cards for the Martha's Vineyard route, but also adult, senior and child 10-ride cards for both of our routes, and our customers can reload those cards either at our ticket offices or on our website. And last month we renewed our food concession contract with Centerplate, ensuring that our passengers will be able to eat the best clam chowder around for at least the next five years.

And we also have looked out for our employees. Of course, this started last year with our selection of Bob Davis to succeed Wayne Lamson as General Manager. And in May we added another strong member to our management team by selecting Gerard Murphy to succeed Bob as our Treasurer/Comptroller. Under their financial guidance, we have been able to reach new collective bargaining agreements this year for our parking lot attendants and bus drivers, our security employees, and the Captains and Pilots of our ferries, and today we will be voting on whether to ratify yet another new collective bargaining agreement for all of our ferries' unlicensed crew members.

All of these projects and contracts are essential for ensuring that we will continue to be able to provide our lifeline service for the islands for decades to come, but we also have continued to take care of our mainland communities.

- We entered into a memorandum of understanding with the Cape Cod Regional Transit Authority to share more than 3 million dollars of grant funds that the Transit Authority will receive from the Federal Transit Administration due to our participation in the National Transit Database program, based principally on the number of miles we operated and the number of passengers we carried back in 2015.
- In response to concerns raised by Falmouth residents, we approved a number of measures to mitigate noise from the Woods Hole terminal's early morning operations, including no longer operating the 5:30 a.m. freight trip from Woods Hole during the winter, spring and fall schedules, and

limiting the size of trucks on that early freight trip during the summer schedule to help reduce the noise on Woods Hole Road.

- We have engaged the services of a consulting firm, Tetra Tech, to evaluate the feasibility of barging municipal solid waste from Martha's Vineyard to New Bedford, and in August another consultant we hired, Craig Johnson, issued his initial report regarding the feasibility of a private freight ferry service between New Bedford and Martha's Vineyard, which builds upon the feasibility report our own staff issued the year before. And both of those efforts will continue next year.

And we also have looked out not just for the Steamship Authority and our communities, but for the entire ferry transportation network between the Massachusetts mainland and the island, renewing our license agreements that allow:

- The Pied Piper to operate between Falmouth and Edgartown;
- Freedom Cruise Line to operate between Harwichport and Nantucket;
- Hy-Line to operate its high-speed service between Hyannis and both islands, as well as between the islands of Martha's Vineyard and Nantucket; and of course
- SeaStreak to operate its high-speed service between New Bedford and both islands.

Indeed, in large part because of your vision, SeaStreak has carried more than 56,000 passengers between New Bedford and Nantucket over the last two years, and I thank you for helping to strengthen the bond between not only our two communities, but all of the communities that you, Marc, Bob, Betsy and I are very privileged to represent and serve.

**Documents and Exhibits Used at the  
December 19, 2017 Meeting in Public Session of the  
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 19, 2017 Meeting Memorandum, dated December 14, 2017.
2. Minutes of the November 21, 2017 Meeting in Public Session (draft).
3. Minutes of the December 5, 2017 Meeting in Public Session (draft).
4. Business Summary for the Month of October 2017.
5. Staff Summary #L-473, dated December 11, 2017 – Revisions to the Authority's Policies Prohibiting Smoking and the Use of Marijuana.
6. Steamship Authority Online Merchandise Sales.
7. Staff Summary #E 2017-15, dated December 12, 2017 – Contract No. 08-2017, "Supply & Install and Emergency Generator – Fairhaven."
8. Staff Summary #E 2017-16, dated December 12, 2017 – Contract No. 20-2017, "Dry-dock and Overhaul Services for the M/V Iyanough."
9. Staff Summary #TPF-2017-13, dated December 14, 2017 – Purchase (4) Four 46 Passenger Heavy Duty Transit Buses w/ Wheelchair Lifts.
10. Minutes of the Port Council's December 6, 2017 Meeting (draft).
11. Statements to be Made by Chairman Moira Tierney.
12. Proposed 2018 Authority Meeting Schedule, dated December 14, 2017.
13. Statement to be Read Prior to Going into Executive Session.
14. Staff Summary #HR-17-56, dated December 11, 2017 – Proposed Ratification of Unlicensed Vessel Employees' Tentative Collective Bargaining Agreement.
15. December 19, 2017 Letter from Authority Director of Human Resources Phillip J. Parent to SEIU Local 888 Field Representative Joan Caruso (draft).
16. Participation Agreement between the Massachusetts Employers/SEIU Local 888 Health and Welfare Fund and the Authority, (4:30 PM on December 18, 2017 draft).