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LAST PUBLIC MEETING of 1988 of Steamship Authority Members was held this date at Falmouth Public Library, beginning at the advertised time of 9:30 a.m.

Attending were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and Secretary James H. Smith of Falmouth.

The three Finance Advisory Board members were also present: William R. Andrews of Falmouth; Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Human Resources Director Phillip J. Parent; Maintenance/Engineering Director Ray Shaffer; Special Projects Director Donald L. Hoffer; Customer Services Manager Diane M. Speers; Port Engineer John Flaherty; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area newsmen, following identifiable persons were in the audience for the public session: Falmouth Selectmen Virginia Valiela and Raymond Labossiere; Barnstable Selectmen Francis Broadhurst, Martin J. Flynn and William Friel; Dukes County Commissioners John S. Alley and Robert T. Morgan; Chilmark Selectman Pamela Goff; Dr. Jay Segel and Mrs. Martha Kudravetz of Martha's Vineyard Health Care Access Committee; Michael Early of the Cape Organization for the Rights of the Disabled (CORD); Mark Snider of Cape Cod-Hyannis Railroad; Joseph Pallotta and Attorney Robert D. City; Ms. Kelly Pratt of Falmouth Chamber of Commerce.

Authority Counsel Steven Sayers attended both sessions.

The public agenda called for:

- 1: Election of officers for 1989
- 2: Action on minutes of Nov. 23rd, possibly Oct. 20th
- 3: Action on bills
- 4: Report and action on bids
- 5: Report of Treasurer Wayne C. Lamson
- 6: Report of General Manager Barry O. Fuller
  - on legislation
  - on preferred space for islanders
  - on ABCC hearing
  - on M/V EAGLE warranty items
  - on M/V ISLANDER rejected bids
  - on further dolphin damage at Woods Hole
  - on Woods Hole Slip #3 contract
  - on Hyannis passenger loading ramp
- 7: New business from Members and Finance Advisory Board
- 8: Comments from public; questions from press

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It was reported that Members would take up labor negotiations and litigation in executive session immediately following the open meeting.

# # #

ITEM #1 (elections): By law, the Dukes County Member (Mr. Stutz) in 1989 moves up to Chairmanship. It will be Mr. Stutz' first year in the Chair. He became Member for Dukes County at the beginning of 1987.

*Mr. Smith moved (seconded by Mr. Stutz) that Mr. Grossman be elected Secretary for 1989. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

*Mr. Stutz then moved (seconded by Mr. Grossman) that Mr. Smith be declared Vice Chairman for 1989. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

*Mr. Smith moved that Wayne C. Lamson remain as Treasurer for the forthcoming year. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

ITEM #2 (minutes): Mr. Smith moved that the minutes of both Oct. 20th and Nov. 23rd meetings be accepted as presented. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

# # #

ITEM #3 (bills): Mr. Smith moved for payment of \$2,627 to North American Marine Associates (Hingham, MA) for naval architectural services. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

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Mr. Smith moved for payment of \$12,783 to Fordham & Starrett (Boston) for October legal services.

Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(Mr. Smith said he wanted the record to show his admiration for work done by Attorney Steven Sayers in recent union negotiations.)

Mr. Smith moved (seconded by Mr. Stutz) payment of \$2,024.51 (total of two invoices) to Holmes & McGrath (Falmouth) for engineering and design work in connection with the Authority's Palmer Avenue and Hyannis properties. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

Mr. Smith moved to pay Van Riper Associates (Hanson, MA) \$6,146 for assistance in computer programming. Mr. Stutz seconded the motion.

The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(The Chairman, Mr. Grossman, asked how many computer consultants are employed by the Authority. The Treasurer said Van Riper has been doing work for the Authority off and on since the system was initiated in the late '70s. Most computer work over the years has been done by Carter Browne of Boston.)

Mr. Smith moved, seconded by Mr. Stutz, payment of \$1,540 to Carter Browne (Boston) for assistance in running the Authority's computer system. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

Payment of \$2,100 to Northeastern Telecommunications (Brewster, MA) for consulting services in upgrading the Authority's telephone system was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

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Two invoices, totalling \$18,471, were moved for payment to M. Rosenblatt & Sons (Hingham, MA) by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

Final bill before the Members was in the amount of \$8,843 for legal services from the Boston firm of Nutter, McClenen & Fish and was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

# # #

ITEM #4 (bids, proposals): On recommendation of management, Mr. Smith moved (seconded by Mr. Stutz) that Custom Carpentry (North Falmouth) be declared low bidder--at \$11,450--to build an office-storage area for parking lot employees on the Woods Hole parking lot. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(Eleven firms submitted prices ranging up to \$19,875 to do the work.)

Mr. Smith moved, seconded by Mr. Stutz, to increase the not-to-exceed contract of LEA Group (Boston) by \$7,500 from \$64,500 in its first of three stages of engineering and design work involved in modernizing and upgrading the Woods Hole terminal building. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

Further, Mr. Smith moved--seconded by Mr. Stutz--to authorize up to \$10,000 in like services by LEA Group to carry out the second and third phases in planned reconstruction of the Woods Hole terminal building.

The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(This more long-range work, it was reported, would involve instalation of an elevator for the handicapped from the main to the second floor of the terminal building as well as more space for waiting passengers on the ground floor once a new home is found for reservations employees now occupying some 40 percent of all ground level space.

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(Eventually, it is planned that second-floor accounting department employees would move also--freeing that area for development of better facilities for the public as well as improved offices.)

Ms. Speers reported that the General Manager has had a committee working with parties interested in become lunchcounter concessionnaires aboard Authority vessels. Fourteen persons or firms have shown an interest; 11 attended a Dec. 13th pre-bid conference for a clear description of what the Authority expects from the service.

Jan. 3rd has been set as deadline date for actual offers.

Current contract is held by King Neptune Caterers, Inc., a Woods Hole-based firm.

Mr. Smith did not participate in discussion. He said some of the firms showing an interest in becoming concessionnaire have been or still are clients of his law firm.

*Finally, under bids and proposals, Mr. Smith moved management's recommendation that Cambridge Packing Co. (Boston) supply fresh meats for \$6,051 as low bidder. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Stutz and Smith  
NAYS: None

# # #

ITEM #5 (Treasurer's report): As recommended by Mr. Lamson, Mr. Smith moved (seconded by Mr. Stutz) that the Authority renew its administrative services agreement another year with Group Insurance Service Center. The VOTE:

AYES: Messrs. Stutz and Smith  
NAYS: None

(Mr. Lamson explained that GISC's fee has risen from \$39,030 to \$58,553--"however," he said, "there is a 35 per cent no-claims bonus upon renewal if no one exceeds the specific deductible of \$50,000 per person.")

On current finances, Mr. Lamson reported that the year's first 11 months ended with the Authority's net operating income some \$78,000 higher than anticipated in the revised budget. The year likely will end with the Authority attaining a \$1.5 million net operating position.

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ITEM #6 (General Manager's report:

On legislation:

Conversation was lengthy as the subject matter swung from legislation that would strip the Authority of its licensing powers to size of Membership on the policy-making board.

(Much press coverage preceded today's meeting with focus on the Oct. 20th unanimous vote of the Members to deny operating licenses to one Joseph Pallotta and immediately filed legislation that would exclude Mr. Pallotta from having to have Authority sanction to operate. The issue could become moot, depending on developments that occurred during today's 'new business' portion of the public agenda--which see, please.)

*Mr. Smith moved, seconded by Mr. Stutz, that the Members go on record supporting proposed legislation that would increase the size of the Steamship Authority board to four, to include full Membership for the Town of Barnstable. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: Mr. Grossman

(The recommended change in the Authority's Enabling Act endorsed by Messrs. Stutz and Smith would allot voting strength as follows: one and one-third votes for Martha's Vineyard, Nantucket and Falmouth Members and one full vote for Barnstable.

(The three-member Barnstable Board of Selectmen was present to endorse the four-member concept and went on record urging the Board of Selectmen of Nantucket to make it unanimous in support of such a change. The Dukes County Commissioners, the Martha's Vineyard All Island Selectmen's Association and the Falmouth Board of Selectmen were already on record in favor of the four-member, five-vote concept.

(Mr. Grossman pointed to his record of supporting Membership for Barnstable and said his preference for Authority board makeup --for five Members, each with one vote--still includes full Membership for the Town of Barnstable. The five-Member board he sees would have equal voting strength for Nantucket, Barnstable, Falmouth and Martha's Vineyard--with the fifth Member being an appointee of the Governor, said appointee to be a resident of one of the Islands on an alternating basis.

(Mr. Stutz pointed out that last May 19th--before anyone advanced the four-Member, weighted vote proposal--he and Mr. Smith were united in opposition to suggested changes all of which, he said, seemed

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to have the bottom-line effect of giving mainland appointees "control over an Authority created foremost to serve the needs of the people of the Islands." Mr. Stutz said the four-Member, weighted-vote design would keep the Island Members' combined voting strength greater than any combined vote of two mainland Members--therefore he supports Mr. Smith's motion and "welcomes Barnstable aboard."

(Barnstable Selectmen Francis Broadhurst, Martin J. Flynn and William Friel each spoke in support of Mr. Smith's motion; each said he is not wary of the weighted-vote proposal.

(Said Mr. Broadhurst, in part:

("The Town of Falmouth has a far greater impact on everything from the Authority because of the volume of traffic...

("It would be easy for the Board of Selectmen of Barnstable to demand equal voting rights. But we are not a rule-or-ruin kind of town. And we're willing to take what would seem to be a secondary position.

("We believe that the presence, the art of persuasion, being able to listen, by us choosing a superior candidate to be our Member, that good men don't have to have the weight hammer with them. Their good ideas will prevail among reasonable people--and this is what we hope to see happen.

"...Clearly, three Members can operate more efficiently than four, five or seven--but by continuing with three, you exclude a rightful partner who has the facilities of a town with no tax and with no representation--and we're kind of old-fashioned in believing that representation ought to go with taxation.")

On preferred space policy:

*Mr. Smith moved, seconded by Mr. Stutz, a management-recommended program further expanding travel opportunity with vehicles from the Islands during busy summer weeks when freight deck space is at a premium. The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

(The newly adopted program is a refinement of a program that has existed for several years. Modified and magnified again for 1988, the program reached its highest level of public acceptance. Planned for 1989 and future years are program changes further meant to meet the travel needs of those on the Islands who must "unexpectedly" leave the Islands and return during the height of the season.

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(Further refinement of the program is based largely on experience during 1988 when the program underwent its greatest enlargement: 90 additional spaces daily were allotted to the program.

(To further meet the requests of "Island residents," the Authority has asked Island selectmen to take the lead in developing a system of "Island resident" identification. Selectmen have promised to do so before the Members' January meeting at which time the entire subject will come up again.

(The Vineyard Member, Mr. Stutz, complimented Customer Relations Manager Diane M. Speers "for the effective administration of this program.")

On ABCC hearing:

Special Projects Director Donald L. Hoffer reported the Authority is now on record with the Alcoholic Beverages Control Commission protesting inclusion by ABCC of the Authority under new rules aimed at controlling drunkenness aboard vessels.

Among the rules: necessary searches of passengers' personal baggage and confiscation of alcoholic beverages by vessel operators.

Mr. Hoffer said ABCC officials now understand that such broad rules should not apply to the Steamship Authority or any lines transporting persons, their vehicles and personal belongings. The ruling, Mr. Hoffer said, was aimed at "booze cruises"--three- or four-hour excursions where the emphasis is on partying.

On M/V EAGLE warranty items:

It's been one full year since the Authority took possession and began operating its newest vessel, M/V EAGLE, General Manager Fuller pointed out.

The vessel "is much better than billed," said Maintenance Dept. Leader Raymond Shaffer. In drydock recently, it was found in "top shape" after inspection by his department, representatives of the builder (McDermott Shipyard, Inc.) and US Coast Guard officials.

Mr. Shaffer said recent negotiations with McDermott on warranty items indicate the Authority should have no problems. Costs to the Authority to correct warranty items are a small fraction of the some \$400,000 still withheld from final payment, under terms of the construction contract.

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On dolphin damage at Woods Hole:

*Mr. Stutz moved, seconded by Mr. Grossman, that management continue with its bid procedure prior to a contract award to replace heavily damaged dolphins at Woods Hole. The VOTE:*

*AYES: Messrs. Grossman and Stutz  
NAYS: None*

*(Mr. Smith said he could not and would not participate in discussion of the award.*

*(Prices are being sought to reconstruct and replace the heavily damaged dolphins on an emergency basis. Messrs. Grossman and Stutz indicated they'd vote for the recommended low bidder and confirm their votes at the January meeting.)*

On M/V ISLANDER project:

*Mr. Smith moved management's recommendation to use the Authority's own maintenance workforce to undertake substantial work on M/V ISLANDER rather than contract the work out to a shipyard. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Planned work on ISLANDER during her three-month scheduled tie-up period is extensive, including a costly conversion from direct to alternating current electrical system and installation of a marine sanitation device. Shipyard bids for the full project ranged from \$274,650 to \$965,000--with \$500,000 or so a more realistic price, according to Port Engineer John Flaherty.)*

*(By their vote, Members set bids aside. In-house work on ISLANDER was due to start in early January. The vessel isn't due to operate again until mid-April.)*

On Woods Hole Slip #3:

*The Authority is still awaiting word from Dept. of Labor and Industries officials as to whether or not proposed contractors seeking to reconstruct Slip #3 must conform to statutory wage rates.*

*(more)*

Bids to do the project ranged from \$2.1 million to \$3 million. Moores/Nerron of New Hampshire was low bidder but the non-union firm's bids have been challenged.

Hearings before the State Dept. of Labor and Industries will determine if the Steamship Authority is governed by wages rules of the State--as re-enforced in November by public ballot.

Mr. Hoffer reported still another impediment to proceeding with Slip #3 contract award: a possible court challenge by the Naushon Trust which alleges its riparian rights will be violated if vessels wider than 45 feet eventually use the reconstructed slip.

On Hyannis terminal:

The General Manager, displaying Fay/Spofford engineering drawings, showed it's possible to construct a second slip at Hyannis without having to acquire additional costly waterfront property.

A second slip at Hyannis is high on Authority management's long-range planning.

# # #

ITEM #7 (New business):

As requested by most Nantucket and Vineyard selectmen, Members agreed (without voting to do so) to reconsider their unanimous vote of Oct. 20th denying operating licenses to Joseph Pallotta and Bay State Spray and Provincetown Lines to run catamarans carrying passengers between Boston and the two Islands.

Elected Island leaders did so, they said, in hopes of preventing the Authority's licensing rights from being emasculated by legislation.

*Mr. Stutz moved, seconded by Mr. Smith, to table any decision on operating licenses until the January 19 meeting by which time Members will have digested the just-received new proposed terms of contracts and management will have time to negotiate where necessary.*  
*The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(While the issue itself was tabled, Members did speak at length and invited the audience to join in. Tabling, normally, ends discussion. But not in this case.

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(Mr. Grossman outlined major areas of economics and other important language he thought necessary in any agreement with Mr. Pallotta. Mr. Pallotta's contract proposals received late yesterday (Dec. 14th) juxtaposed with the Chairman's suggestions to form a boundary within which negotiations could be conducted toward agreements.

(Members thanked Island selectmen for coming so solidly to the Authority's side in the controversy that moved quickly from a public meeting on Nantucket in October to the legislative halls-- and across the pages of small and major newspapers.

(Mrs. Virginia Valiela, chairman of the Falmouth Board of Selectman, did ask that any agreement carry the stipulation that an independent study be carried out of catamaran passengers to determine if they would have journeyed to the Islands by any other means had the catamaran service not been available. Her concern, she said, is in reducing vehicle traffic over Falmouth-Woods Hole roads.)

Further on new business:

Messrs. Andrews, Beach and Murphy of the Finance Advisory Board thought Members should give additional thought to restoring a guaranteed standby policy from Woods Hole to the Vineyard next summer.

Members agreed to take up the subject in January.

NOTE: At 11:21 a.m., Mr. Grossman adjourned the public session. There would be a brief executive session, he said.

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A 5x5 grid of black and white blocks, representing a 5x5 matrix. The grid is composed of 25 individual blocks, each being a 2x2 square. The pattern of black and white blocks varies across the grid, creating a visual representation of the matrix elements.

### A true record

JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

STEAMSHIP AUTHORITY MEMBERS met aboard M/V Eagle at Woods Hole on this date with a brief executive session following the 9:30 a.m. scheduled public meeting.

The meeting was scheduled aboard the vessel so that persons in wheelchairs could easily attend.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and James H. Smith of Falmouth, Secretary.

The three Finance Advisory Board members were also in attendance: William R. Andrews of Falmouth, Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County.

Management personnel present throughout were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Human Resources Dir. Phillip J. Parent; Special Projects Dir. Donald L. Hoffer; Customer Services Dir. Diane M. Speers; Maintenance Managers John Flaherty and John Tuckwood; and Ray Martin, public information officer and recording secretary to the Members.

Among elected officials present for the public session were State Rep.-Elect Eric Turkington, Falmouth Board of Selectmen Virginia Valiela and Raymond Labossiere and Mrs. Cora Medeiros, chairman of the Tisbury Board of Selectmen. In addition to area newsmen, some 25 other persons attended, including Mrs. Kelly Pratt and Allan Cassady of the Falmouth Chamber of Commerce, Robert Schneider of King Neptune Caterers and Alcide G. Morrell of the Int'l Union of Operating Engineers, Boston.

The public agenda called for:

- 1: Action on minutes of Oct. 20th meeting
- 2: Action on bills
- 3: Report and action on bids and proposals
- 4: Report of the Treasurer
  - on allocating Woods Hole terminal costs
  - on 1989 proposed operating budget
  - on 1989 proposed capital budget
  - on current finances
- 5: Report of the General Manager
  - on Woods Hole terminal renovations
  - on 1989 inter-island service
  - on 1989 advertising program
  - on delegation from CORD (Cape Organization for the Rights of the Disabled)
  - on legislation

It was announced the executive session would take up matters of legislation and litigation.

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MEMBERS MET first, briefly, at 9:30 in the morning in the Authority's board room, advertised as the day's meeting place. Members promptly adjourned to meet aboard M/V Eagle, tied up alongside the headquarters building, where arriving members of the public were directed for the open meeting.

# # #

MR. GROSSMAN opened proceedings by reporting that in the early hours of this day the Legislature was prorogued and with adjournment a proposed bill deeply affecting the Steamship Authority died--possibly and likely to be revived in January at the start of the Legislature's 1989 session.

Mr. Grossman said, in part:

"...On behalf of the Steamship Authority and the residents of Nantucket--and I know I speak for Mr. Stutz, too, and the residents of his island--in expressing thanks to the people who have come forward with letters and in person, by telephone calls, in contacting members of the Legislature advising them against granting approval for the catamaran service.

"We've been accused of being elitist islands and have had many other charges levied against us. And there has been no consideration given whatsoever...to problems we folks face on the islands.

"We recognize we're a tourist economy and a second-home economy on both islands. And, at the same time, we do have problems like people everywhere else in the country--except they're more pronounced because of our isolation on islands.

"We do have problems with our water supply. We have much greater problems than anybody else on the mainland with the crime, fire protection and so forth, because we just can't call neighboring cities and towns for assistance as they do almost anywhere else in mainland United States today--even in rural areas. We are strictly on our own.

"We don't have sewage facilities that are adequate. On Nantucket, we have no State beaches. We have no other State assistance, and so forth. So it isn't just a matter of trying to keep people out.

"People are welcome on both islands and both of them have had unprecedented growth in recent years.

"It's the fact that we want to be able to cope with our many problems and take care of our people without further burdening them before we say: come on! Or open the doors to more people.

(more)

Mr. Grossman continued:

"As far as the Steamship Authority itself, our concern is with the constituency we represent on the islands; and also to the Authority as a tool for the islands, created for the islands.

"The fact that it was created and given protection first in 1970, and broadened and clarified in 1981 and upheld by the courts in 1984, is very supportive of the position we have taken which is: it exists as a service for the residents of Nantucket and Martha's Vineyard to carry persons and necessities of life.

"Now, this doesn't mean it is our obligation to serve all the people in unlimited numbers at all times. But it also gives us the responsibility of being able to operate in a financially viable manner--which means we have to derive revenues in the few summer months to carry us through the long winter months when people on both islands like to eat and get their necessities of life.

"Therefore, a certain modicum of protection of our position is very, very important.

"...If this bill is brought up again (to exempt private operators running in summer from Boston and New Bedford and possibly other points in the Commonwealth, depending on amendments) I certainly hope that the Legislature will be a little broader-minded...to see some of these problems."

Mr. Stutz thanked Mr. Grossman for his remarks, adding his own thanks for public support "in trying to bring to the attention of the Legislature just what the real issues are.

"I'm afraid," said Mr. Stutz, "that in the Legislature hearing that I attended, that was completely overlooked. And our position was not fairly represented because the hearing, I did not feel, was fairly conducted."

Mr. Smith backed the remarks of Messrs. Grossman and Stutz.

(As originally filed, Senate Bill #1905 would have stripped the Authority of its powers to license passenger-carrying competition beyond three enterprises grandfathered into law. As Members and management saw it, it was the most critical time in the Authority's 28-year lifetime.

(Senate Bill #1905 was filed days after the Members' Oct. 20th meeting on Nantucket. It sped through the Joint Transportation Committee and seemed to verge on passage until--unexpectedly--legislative leaders gave the signal to prorogue, days short of usual adjournment time.)

# # #

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With that, the Chairman returned to the regular public agenda:

ITEM #1 (minutes): *Mr. Smith moved, seconded by Mr. Stutz, that the minutes of the Oct. 20th be accepted--subject to whatever changes Members may wish to make at their scheduled December meeting. The VOTE:*

AYES: *Messrs. Stutz and Smith*

NAYS: *None*

(It was pointed out that Members did not receive copies of the minutes until hours before today's meeting, therefore the proviso that said minutes are subject to changes requested at next months' meeting.

(Please note: Record-keeping for this set of minutes will be in accordance with the wishes expressed by the Chairman later in executive session. That is, unless the Chairman clearly expresses himself for or against a motion, or voices abstention, the record will show--simply--that he did not vote.)

# # #

Item #2 (bills):

*Mr. Smith moved for payment of \$2,224 to North American Marine Associates (Hingham, MA) for engineering design services for M/V Eagle. The VOTE:*

AYES: *Messrs. Stutz and Smith*

NAYS: *None*

*Mr. Smith moved (seconded by Mr. Stutz) payment of \$12,800 to LEA Group (Boston) for design work in connection with renovations at Woods Hole and Vineyard Haven. The VOTE:*

AYES: *Messrs. Stutz and Smith*

NAYS: *None*

*A second LEA invoice, this for \$2,378, in connection with work contemplated at Woods Hole, was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:*

AYES: *Messrs. Stutz and Smith*

NAYS: *None*

*Mr. Smith moved for payment of \$1,500 to Joseph M. Clancy (Falmouth) for appraisal work on the Authority's Palmer Avenue parking site. The VOTE:*

AYES: *Messrs. Stutz and Smith*

NAYS: *None*

(more)

(Mr. Grossman wondered why the appraisal of the Palmer Avenue property when "it was decided a month or two ago that nothing was going to be done as far as any change in Palmer Avenue arrangements for some time to come--if and when the new parking lot in West Falmouth was set up."

(The General Manager said Mr. Clancy was engaged to do the Palmer Avenue appraisal at a time when he was already doing the approved appraisal of the 40-acre West Falmouth site; besides, Mr. Fuller said, changes and improvements are taking place at the Palmer Avenue site, as voted in recent months by the Members. He said ongoing improvements at the Palmer Avenue site are necessary to improve traffic flow in 1989 when the West Falmouth site likely will be still largely undeveloped.

(Mr. Grossman said the Palmer Avenue appraisal was "premature".)

*Mr. Smith moved for payment of \$18,507 to Fordham and Starrett (Boston) for legal services during October. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman and Stutz

NAYS: Mr. Smith

*Mr. Smith moved to pay Deloitte, Haskins and Sells (Boston) \$4,280 for reviewing the automatic ticketing system now in operation. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

*It was moved by Mr. Smith, seconded by Mr. Stutz, to pay \$1,575 to Northeastern Telecommunications (Brewster, MA) as part of its \$10,650 contract to advise and supervise the ongoing improvements in the Authority's telephone system. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

*A second invoice from North American Marine Associates --this for \$3,949 for design work in connection with installing a marine sanitation device on M/V Eagle-- was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

(more)

*Mr. Smith moved and Mr. Stutz seconded a series of four motions all dealing with services provided by the Falmouth engineering-design firm of Holmes and McGrath. Total payment requested: \$35,857.83.*

*The VOTES:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

(Members had questions on each Holmes/McGrath billing. It was explained by the General Manager that the firm's work assignments were spread out to cover planned changes at the Palmer Avenue parking site, development possibilities at the recently acquired 40-acre site just north of Falmouth Center and topographical studies at the Hyannis terminal which, it is hoped, will permit installation of truck weighing scale.

(Members agreed with Mr. Smith, the Falmouth Member, to make no further moves toward development of the 40-acre site until after there is more public input on planning and after "a thorough review of any alternative sites". A request for this hold on development activity was contained in a letter from the Falmouth Board of Selectmen which Mr. Smith read into the record.

(At their Sept. 30th meeting, Members approved a limit of \$38,400 on Holmes/McGrath's Falmouth assignments.)

# # #

ITEM #3 (bids): Mr. Stutz moved, seconded by Mr. Smith, to make no award for reconstruction of Woods Hole Slip #3 until after a ruling is received from the State Secretary of Labor and Industries on the necessity of bidders to meet the State's prevailing wage law.

*The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

(Members learned of bidding results at their Oct. 20th meeting. They put off making an award on learning there had been a challenge by one of the higher bidders. Of six bidders, Moores Neron, Inc., of Portsmouth, NH, submitted the lowest price: \$2,102,595. Other bids ranged up to \$3,137,347.

(The grievant firm contends the low bidder would not be meeting the Commonwealth's prevailing wage law--a law most recently upheld by public vote just 15 days earlier in the month.

(more)

(An official of the Int'l Union of Operating Engineers-- Alcide G. Morrell--asked to speak. He asked that no award be made to the low bidder "on the grounds that the prevailing wage law, Chapter 149 of the Commonwealth, will not be carried on this project.

(Also see executive session, please.)

*Mr. Stutz moved, seconded by Mr. Smith, to confirm an award to Dave Gardner, Contractor, to sandblast and repaint Vineyard Haven's two transfer bridges and to have maintenance employees undertake painting of the Woods Hole terminal building rather than let that project out to bid. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

(It was pointed out that Mr. Gardner's equipment is already at the Vineyard Haven site--used on another Authority project--and that he can meet the pre-winter deadline set by the Authority for completion of the job. The transfer bridges, in place at Vineyard Haven only since 1981, were said to be in "disgraceful condition" because of original priming and painting.

(The contract price for the work: \$3,700 for each of the two transfer bridges.)

*It was moved by Mr. Smith, seconded by Mr. Stutz, that Linberg Marine (Fairhaven, MA) carry out emergency repairs to strengthen dolphins in Slips #1 and #2 at Woods Hole for an amount not to exceed \$,532. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

(Mr. Grossman said State environmental authorities should be notified every time "these traditional dolphins" break down to underline how trouble-free Nantucket's state-of-the-art dolphins have been.)

*Mr. Smith moved that Old Colony Service Corp. (Edgartown) be declared low responsive bidder (of 11 bidders) to supply two new, 1989, four-wheel drive, three-quarter ton pickup trucks for \$31,245. The VOTE:*

AYES: Messrs. Stutz and Smith

NAYS: None

(more)

The General Manager advised Members that competitive bids will be sought to renovate public restrooms at Vineyard Haven--that necessary work is considerably greater than at first believed. Making the restrooms accessible to handicapped persons and persons in wheelchairs is a priority concern, Mr. Fuller said.

This report raised Members' questions as to the future of the Authority-owned Bethel building at Vineyard Haven.

The General Manager said he is still awaiting word from officials of Boston Seaman's Friends Society as to their intentions. Mr. Fuller said he intended working with the Tisbury Board of Selectmen to gain public comment on the Bethel's future before undertaking any reconstruction to transfer the building into a passenger waiting area/ticket office.

Mr. Fuller pointed out that when the multi-million dollar reconstruction of Vineyard Haven terminal was carried out (in 1980-81), the small, frame passenger waiting room/ticket office was left untouched and is inadequate, considering the fact that upwards of 1.5 million passengers go through Vineyard Haven yearly.

Mr. Stutz advised working carefully with elected officials and the public which, he said, is sympathetic with the historic work of the Seaman's Friends Society.

Members agreed with Mr. Andrews of the Finance Advisory Board that management should not ask a marine contractor to carry out a study of the condition of Woods Hole, Hyannis and Oak Bluffs piers if there was a chance the same marine contractor would turn around and be a bidder to do the work.

Linberg Marine (Fairhaven) had offered to do the survey for \$2,500. No one was certain the Linberg firm was aware it would not be acceptable as a rebuilder if it first carried out engineering work which would dictate the amount of reconstruction to be done.

Attention turned to Hyannis:

The General Manager pointed out that the wooden passenger loading ramp at Hyannis was a temporary structure needed this past summer to aid passengers boarding and deboarding M/V Eagle. The ramp was designed for the Eagle, no longer on the Nantucket runs. Something more permanent is needed that can fit into the varying structures of M/Vs Eagle, Nantucket and Uncatena.

(more)

*Mr. Smith moved, seconded by Mr. Stutz, that Crandall Drydock Engineers (Dedham, MA) design and obtain all necessary permits for a permanent side-loading passenger ramp at Hyannis that will accommodate M/Vs Eagle, Nantucket and Uncatena.*

*The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

*(Prices for the work were solicited from four engineering and design firms. The Crandall firm asked the lowest figure: \$3,600 for design work; \$1,700 for permit work; and \$60 per hour for "additional work".)*

*Mr. Smith moved, seconded by Mr. Stutz, to confirm the Members' vote to drydock M/V Eagle on an emergency basis earlier this month at Newport Offshore, Inc. (Newport, RI) to repair leaks in the bowthruster keel cooler. The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

*(With M/V Eagle's first year in operation approaching--and with it the expiry date of many warranted items and shipyard work--Mr. Fuller told Members he would be negotiating with McDermott Shipyard officials in New Orleans a week hence. Some \$400,000 of the purchase price has been retained. It was felt Authority costs would be well below the retained price.)*

**LASTLY ON BIDS/PROPOSALS**, Mr. Lamson reported that draft specifications have been about completed--except for further suggestions expected from the Members--concerning vessel concessions.

The agreement with King Neptune Caterers expires in February.

Before going out to bid, Mr. Grossman asked that consideration be given to extending two contracts--one to apply to Woods Hole-Martha's Vineyard runs and one to apply to the much longer Hyannis-Nantucket runs. On the longer runs, the Chairman said, a concessionnaire should offer a different menu to passengers.

One problem with that, the Treasurer pointed out, is that two different concessionnaires would find themselves in a bind. They own their own stock, their own equipment. When vessels switch runs, concession operations would be affected.

(more)

Out of the brief discussion on concessions, the General Manager reported management would be attending a public hearing in Boston called by the Alcoholic Beverages Control Commission. A pending order would make vessel managements responsible for prohibiting passengers from carrying their own beer, wine and liquor aboard vessels.

Mr. Fuller said the proposed ruling is aimed at Boston Harbor "booze cruises" (there was a fatality earlier this year in Boston waters) but, if applied to the Authority, it would necessitate wide searches of tens of thousands of cars, trailers and trucks--as well as the carry-on baggage of some two million travellers.

Mr. Fuller said he seeking an exemption from any hard orders to search passengers. Part of the same ABCC order would have the Authority maintain a brig to hold unruly passengers.

# # #  
ITEM #4 (Treasurer's report):

On Woods Hole terminal allocations:

*It was moved by Mr. Smith, seconded by Mr. Stutz, to maintain the 75 percent-25 percent apportionment of Woods Hole terminal costs, with the larger percentage to continue to be assessed against the Vineyard.*

The VOTE:

AYES: Messrs. Stutz and Smith  
NAYS: Mr. Grossman

(Allocations of costs or cost accounting affects all rates. Mr. Grossman has sought "a more realistic" allocation of Woods Hole terminal costs (not fixed costs) since 1979 when Martha's Vineyard and Nantucket shared Woods Hole terminal costs on a 60-40 basis. The present 75-25 ratio has been in effect the past two years, since 1986.

(Mr. Stutz said: "I don't understand what's changed (since) 1986 to bring about...a different result in terms of the allocation of costs to the two islands."

(The Treasurer pointed out that Auditors Deloitte, Haskins and Sells, using as a formula a combination of traffic and numbers of trips out of Woods Hole, say an 85-15 apportionment is in order. Mr. Grossman pointed out that such a new formula would shift \$198,000 in costs from Nantucket and onto the Vineyard, so it's important to Nantucket.

(more)

(Mr. Grossman said, using the Treasurer's figures, just .09 percent of all passengers going through Woods Hole are associated with travel to and from Nantucket; just .06 percent of all cars and 1.42 percent of all trucks. He said it was "inequitable" that Nantucket bear 25 percent of Woods Hole terminal costs.

(Mr. Murphy of the Finance Advisory Board, supporting Mr. Stutz, said that "when we opened Hyannis on a year-round basis, you agreed to keep your allocation of the Woods Hole terminal...I don't think it's fair to divorce your interest in Woods Hole and think that the Vineyard should pick up the burden of this facility.")

On proposed 1989 operating budget:

*Mr. Smith moved Mr. Lamson's prepared preliminary operating budget for 1989--as endorsed by the Finance Advisory Board. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

(Mr. Lamson pointed out that, as usual, his initial operating budget is based on the 12 months ending Sept. 30th. He sees for 1989: operating revenues of \$25,834,903; operating expenses of \$23,889,225; and a net income from operations of \$412,991 after allowance for non-operating expenses such as \$1,689,723 interest on funded debt.

(Without the traffic increase of the past 12 months, Mr. Lamson said rate increases totalling six percent of total operating revenue would have had to be considered to meet the projected cost of service during 1989.

(The budget sees sufficient cash flowing to the sinking fund during 1989 to meet bond interest payments of \$865,938 due on Sept. 1st, 1989, and again on March 1st, 1990, and bond principal of \$735,000 due on March 1st, 1990.)

*Mr. Smith also moved to endorse the proposed 1989 capital budget presented by Mr. Lamson, showing capital projects valued at \$4,256,000. Mr. Stutz seconded the motion which included authorization to transfer \$1,281,500 from the bond redemption account to the replacement fund. The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

*(more)*

(Mr. Smith pointed out that, in supporting the capital works budget, Members are still free to support or reject individual projects detailed in the budget as they arise.

(The Finance Advisory Board reported support for the budget, as well.)

On deferred compensation plan:

*Mr. Smith moved and Mr. Stutz seconded the motion authorizing the Chairman to sign plan documents covering London Agency's administration of the plan--if, on reading the documents, Mr. Grossman finds them in order. The VOTE:*

AYES: Messrs. Stutz and Smith  
NAYS: None

(At their October meeting, Members voted to participate in a deferred compensation plan--at no contributions cost to the Authority--covering union and non-union employees willing to contribute from their earnings. The plan has Internal Revenue approval.)

On current finances:

Mr. Lamson reported the year's first 10 months ended with a net operating income estimated at \$175,000 greater than that foreseen in the revised budget.

He said it appears 1989 will close out as the 26th consecutive year there will have been no need for a deficit assessment against area taxpayers.

Mr. Smith complimented Mr. Lamson "on the good news".

ITEM #5 (Report of the General Manager):

On Woods Hole renovations:

Scott McDaniels of LEA Group (Boston)--assigned to develop engineering plans for partial renovation of the Woods Hole terminal building--to show designs of what his firm has in mind and to answer Members' questions.

Included in planning is a more attractive passenger waiting area, enlarged public restrooms which meet new laws on accommodating persons in wheelchairs--and an elevator from the passenger lobby to the second floor where public meetings are usually held.

(more)

Total renovations to the two-story, concrete block building can't be made until it is determined where certain departments may be shifted to relieve office congestion as well as expand areas for the travelling public.

No action will be taken on the LEA designs until after Members study them before the December meeting.

On Palmer Avenue parking lot improvements:

*Mr. Smith moved, seconded by Mr. Stutz, authorization to employ Holmes and McGrath (Falmouth) for up to \$8,200 to design ways to integret the recently purchased McMenemy one-acre site into the existing Palmer Avenue parking area. The VOTE:*

AYES: Messrs. Stutz and Smith  
NAYS: None

On policy of freight vessel useage:

When Members discussed the 1989 summer schedule to the Vineyard at their Oct. 20th meeting on Nantucket, an overcrowded scene combined with the intense subject matter to result in a confused policy. To hold down the number of "extra" trips running to and from the Vineyard, it was believed Members meant to use the freight vessels (M/Vs Gay Head and Katama) only and exclusively for trucks.

Truckers knew they couldn't all fit on the scheduled runs of the freight vessels and believed they wouldn't be allowed on the larger passenger/vehicle ferries.

*Mr. Smith moved the management interpretation of that policy (which follows). Mr. Stutz seconded Mr. Smith's motion. The VOTE:*

AYES: Messrs. Stutz and Smith  
NAYS: None

The policy follows:

"That the Members voted to eliminate guaranteed standby from Woods Hole to the Vineyard on a daily basis during our summer schedule next year. However, we would retain guaranteed standby from Vineyard Haven to Woods Hole on a daily basis as we have done this past summer.

"That the Authority would be able to operate the printed, published schedule of the vessels--the Islander and the Eagle to Martha's Vineyard.

(more)

"That the freight boats would operate scheduled service to the Vineyard as proposed--as we have done over many years.

"That we would continue to book shipper reservations for trucks and other commercial vehicles on those trips as long as possible. However, if necessary, we could also accommodate those types of vehicles on trips of the Islander and Eagle to accommodate the needs of shippers.

"That the freight boats would continue to operate on a non-reserved schedule basis on weekends at the same level as they did last year.

"That we would be able to carry standby cars on scheduled trips of the Katama and Gay Head to the Vineyard if space is available--in order to accommodate the travelling public to their convenience.

"That any extra trips--meaning those that are unscheduled or unanticipated beyond our proposed scheduled trips--would be permitted for holiday periods, or busy change-over or turnover weekends, and emergency situations as they may arise."

In effect, it was said, this policy should cap 1989 vehicle traffic at 1988's level. This would be consistent with pleas from the Vineyard public to freeze traffic until the island finds ways to accommodate summertime visitors.

On inter-island service:

*Management's recommendation was moved by Mr. Smith: to enter into negotiations with officials of Hy-Line to provide three round trips daily service during the summer months between Oak Bluffs and Nantucket. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Stutz and Smith*

*NAYS: None*

(The Authority licensed another operator to run between the islands this summer. It was the first year the Authority did not provide that service.

(The General Manager said Bay State Cruises' performance was less than satisfactory to the public. Important, Mr. Fuller said, is a private operator who will provide three round trips daily, meet the Authority's early morning trip from Woods Hole so that the Woods Hole-Nantucket passenger link can be re-established; and that the operator not have to rely on Authority employees and Authority terminal facilities.

(more)

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Allan Cassady, executive officer of the Falmouth Chamber of Commerce, said Steamship Authority Members and management do listen to the public and for that reason the Authority has the solid support of the Chamber. He referred to inter-island service for 1989 again linking Woods Hole with Nantucket for passenger service in summer.

"You are receptive on a lot of fronts to what (the public) has to say," Mr. Cassady said.

Mrs. Cora Medeiros (chairman, Tisbury Board of Selectmen) said she was happy at the failure of legislation that would have had crippling effect on the Authority's licensing rights. But she warned that such legislation will be revived in 1989. There is time, she said, to put together a firm defense against harmful changes in Authority rights.

FOLLOWING QUESTIONS from newsmen, Mr. Grossman adjourned the public session at 11:52 a.m. Members, he said, would go into executive session under Chapter 39 of the General Laws to discuss prospective litigation.

(more)



A 5x5 grid of black and white blocks. The grid is composed of 25 individual blocks, each being a 2x2 square. The blocks are arranged in a pattern where they are mostly black, with some white blocks appearing in a staggered or checkered-like fashion. The overall pattern is a 5x5 matrix of these 2x2 blocks.

A 4x4 grid of black and white blocks representing a 2D convolutional kernel. The grid is composed of 16 smaller blocks, each 2x2 in size. The top row contains blocks with values 1, 2, 3, and 4. The second row contains blocks with values 5, 6, 7, and 8. The third row contains blocks with values 9, 10, 11, and 12. The bottom row contains blocks with values 13, 14, 15, and 16. The values represent the weights of the kernel, with 1 being the top-left and 16 being the bottom-right.

AT THIS POINT, at 12:22 p.m., Mr. Grossman declared adjournment.

### A true record

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

MINUTES:

*Steamship Authority Members'  
Meeting of Oct. 20th/88  
At Nantucket*

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STEAMSHIP AUTHORITY Members met for the second and final time this year at Nantucket, meeting first in executive session in the conference room of the Nantucket terminal building and in public session in the building's open passenger waiting room.

The executive session, due to start at 11:30 a.m., had real estate and legal matters on the agenda.

The public session, scheduled to start around 12:15 p.m., called for:

- 1: Action on minutes of Sept. 30th meeting
- 2: Action on bills
- 3: Action and report on bids and proposals
- 4: Report of Treasurer/Comptroller Wayne C. Lamson
  - on 1989's preliminary operating budget
  - on deferred employee compensation plan
  - on current finances
- 5: Report of General Manager Barry O. Fuller
  - on 1989 spring, summer and fall operating schedules
  - on purchase of phones for the deaf (TDDs)
  - on equal access proposals for the handicapped
  - on meetings with Special Services Action Committee
  - on advertising for 1989; island surveys
  - on licensing request by Joseph Pallotta
  - on retaining AFFIRM for one year re employee relations
- 6: New business from Members, Finance Advisory Board
- 7: Public comments; press queries.

Present for executive and public sessions were the Members (Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County and James H. Smith of Falmouth, Secretary) as well as the full Finance Advisory Board: William R. Andrews of Falmouth, Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County.

Management personnel present throughout were General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Human Resources Director Phillip J. Parent; Engineering/Maintenance Director Raymond Shaffer; Diane M. Speers, customer services manager; and Ray Martin, public information officer and recording secretary to the Members.

Some 75 persons attended the public meeting. Most recognizable: State Senator William Q. MacLean (D-New Bedford) and J. Sidney Conway, legislative liaison officer for Nantucket.

(more)



A 10x10 grid of black and white squares, likely a binary matrix or a 2D barcode. The pattern is composed of several horizontal bands. The top band consists of 10 black squares. Below this is a band of 10 white squares. The third band contains 10 black squares. The fourth band contains 10 white squares. The fifth band contains 10 black squares. The sixth band contains 10 white squares. The seventh band contains 10 black squares. The eighth band contains 10 white squares. The ninth band contains 10 black squares. The tenth band contains 10 white squares. The pattern repeats every 10 columns and 10 rows, creating a periodic binary sequence.

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MR. GROSSMAN brought the public session to order at 12:24 p.m. Upwards of 75 persons crowded into the passenger waiting lobby of the Nantucket terminal building for the Authority's first-ever public meeting at that location.

Aware, as a result of pre-meeting publicity, that of major concern to the audience was the application of one Joseph Pallotta for (1) a renewal of his one-year license to operate between Boston and Martha's Vineyard and (2) a new license to operate from Boston to Nantucket, Mr. Grossman moved this subject to the top of the agenda.

*It was moved by Mr. Stutz, seconded by Mr. Smith, not to renew the 1988 one-year trial license which was granted to Mr. Pallotta to operate a passenger-carrying catamaran between Boston and Martha's Vineyard.*

*The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

No one offered to speak in favor of license renewal.

For his part, Mr. Stutz said:

"This has been, perhaps, the most perplexing question that has confronted me in my brief time as a Member of the Steamship Authority.

"I've listened carefully to the arguments, pro and con. I've had an opportunity to review the information which has been developed among Vineyard residents by the Harris Poll; by a series of referendum questions which were placed before the voters in each of the six towns last spring; by a brief opportunity to review the preliminary findings of the survey commissioned by the Steamship Authority among Vineyard residents...

"And my conclusion is that the majority of the residents of the Vineyard do not want the license of the Vineyard Spray renewed. There are a lot of reasons for their not wanting this service but, primarily, I think it is because the Vineyard residents feel that they are simply not able to cope with the numbers of visitors who have been coming to the island--especially in the last two or three years.

"They don't want additional visitors because they believe-- and this is an honest belief on their part--that the infrastructure of the island simply will not accommodate more...

"The hope was that this service would syphon off traffic which would have wound up in Falmouth...We have no evidence that that, in fact, occurred.

(more)

Mr. Stutz continued:

"Because we have a lot of matters confronting us in terms of accommodating the visitors we now have...I am going to support a move not to renew the license..."

There was no response to Mr. Stutz' statement, no response to the vote that followed.

*Mr. Grossman moved, seconded by Mr. Smith, to reject Mr. Pallotta's request to operate in summertime on a new Boston-Nantucket route with a new, larger catamaran he is having constructed. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(To operate in 1988, Mr. Pallotta offered to pay the Authority \$100,000. In his move to operate two routes in 1989--one from Boston to Martha's Vineyard, one from Boston to Nantucket--offered to pay a license fee of \$15,000 for each route.)

Before putting his motion, Mr. Grossman invited public comment. He waited--and waited. No one offered to speak in favor of the new Boston-Nantucket service.

There followed a lengthy string of speakers in opposition to granting such a license before Mr. Grossman said:

"...We are the representatives to the Authority from our respective communities--Mr. Stutz from the Vineyard, Mr. Smith from Falmouth--and I'm from Nantucket.

"Our obligation has to be, having taken this position, first of the welfare of the Authority. But we are also necessarily responsive to the needs of our community because the Authority is charged with meeting the need for transportation of people and necessities of life to the community.

"...We are required to give 12 months' service per year--regularly and frequently whenever weather permits.

"At the present time, despite the tremendous influx of traffic ...we are still operating at a profit less than three months a year. In those three months, we must pick up the necessary revenues to be able to support a viable service for the other nine months of the year. That is one factor.

"I think all of us recognize that second homes and tourism is a principal industry here on Nantucket--as it is on the Vineyard.

(more)

"Many of us have been concerned," Mr. Grossman continued, "because the blossoming in recent years has put the type of burdens upon the community--such as mentioned by Mr. Cady as it applies to service for the elderly--but to every resident of both communities.

"As representatives of our community, we have to pass on some of the attitude of the people of our community to the other Members of the Authority and to the public at large in making a decision on this type of matter.

"Last year, we had a non-binding referendum on our ballot for a town matter and 83-plus percent voted: we've got to stop something. Growth has grown too large.

"We have have some of the problems that were mentioned here today with respect to our sewers, our water supply, our traffic menaces, our electric generating power...We are faced with a real crisis on this island."

Between Mr. Grossman's remarks and motion there followed an outburst of public comment:

J. Sidney Conway, legislative liaison officer for Nantucket, noted the law would not stop carriers from travelling to Nantucket from Rhode Island or other ports outside of Massachusetts. The Authority is "safe," he said, as far as Massachusetts legislators are concerned only if it meets the needs of islanders.

Charles Balas, president of the Nantucket Chamber of Commerce, said: "We wholeheartedly support the decision of the Steamship Authority board of director...because we, too, want to see that the islands remain the way it is."

Twelve other spokesmen supported the decision.

Senator MacLean (who may have arrived late and joined the crowded lobby at the very rear) said:

"...I'm sorry that you've already taken the vote on the Vineyard. I think you should consider the possibility that there will probably be some legislation here and I don't think that's the way to go...I personally think it should be in your hands, as a board. What you're doing, you're asking people in the legislature to amend that (licensing) statute--and that's what I'm afraid of.

"I'm afraid of it because I think there is a lot of support for the boat to come to Nantucket...You can't tell me that somebody from Pittsfield is going to care who's going to be running to Nantucket. Right now, you have that authority--because you have the right to license.

"And I would say that you would probably lose that right...

(more)

Senator MacLean continued:

"I think that, although you're doing your job, in a sense, in protecting what you have for your individual island, I think where you're going to have problems is that people in the legislature are going to want to see it opened up and made for free enterprise to come in. And I think you're going to rue the day that you don't leave that authority in your hands."

Mr. Stutz said if legislation further "opens up the island" to visitors, he hopes the Senator will lead the charge to direct State funds to the islands to "offer us assistance in terms of our water supply; our sewage disposal; our trash collection; our public transportation; our roads; our parking; our hospital facilities--because those are the pieces of the infrastructure which are strained to the limit."

Senator MacLean said the Members don't realize what they're getting from the State in local aid.

Mr. Grossman replied: "We send out in the form of fuel taxes, meal taxes, hotel taxes (aside from income taxes) about five times what the State puts back here a year."

Said the Senator: "We're glad to receive it."

With that, the Members returned to the regular agenda:

# # #

ITEM #1 (minutes): Mr. Smith moved, seconded by Mr. Stutz, acceptance of the prepared minutes of the Sept. 30th meeting at Tisbury. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #2 (bills): Mr. Smith moved for payment of two bills--\$1,402 plus \$3,251--submitted by Carter Browne (Boston) for consultation in running the computer system. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

Mr. Smith moved (seconded by Mr. Stutz) to pay the LEA Group (Boston) \$18,234 for its plans to instal an elevator in the Woods Hole terminal lobby and to renovate public restrooms with emphasis on meeting legal requirements concerning rights of handicapped travellers. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Northeastern Telecommunications Consulting Service (Brewster) sought \$2,287.50 for its on-going role in the upgrading of the Authority's telephone system. Mr. Smith moved for payment. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The General Manager pointed out that payment of this invoice would raise to \$4,050 the amount paid out on the proposed \$10,650 limit for Northeastern's service.)

Mr. Smith moved for payment of four bills totalling \$53,966 to M. Rosenblatt & Son, Inc. (Hingham) for engineering and design services in connection with work to be done on M/Vs Islander and Uncatena. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Payment to date--including the above--to the Rosenblatt firm totals \$122,461, the General Manager reported. The total, he said, is just under the \$131,679 limit previously approved by the Members for the extensive work planned for the two vessels.)

# # #

ITEM #3 (bids): The General Manager reported that six marine construction firms entered bids to reconstruct Woods Hole Slip #3. No award was sought from the Members at this time, Mr. Fuller said.

Bids ranged from \$2.1 million to \$3.1 million. Low qualified bidder appeared to be Moores Neron, Inc., of Portsmouth, NH, which asked \$2,102,595. Other bidders: AGM Marine of Sandwich, \$2,299,000; Tower Associates of Winchester, MA, \$2,484,274; Modern Continental Construction Co. of Cambridge, \$2,627,000; Harbor Marine Corp. of Rhode Island, \$2,747,000; and J.M. Cashman, Inc. of Quincy, \$3,137,347.

(more)

At management's request, Mr. Smith moved, seconded by Mr. Stutz, that the current agreement with Dave Gardner, Contractor, to carry out repairs on the Hyannis terminal building be enlarged to a maximum of \$38,000 so as to include enlarged public restrooms for the handicapped. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

Mr. Smith moved (seconded by Mr. Stutz) that Long Haul Trailer Co. (Monument Beach, MA) be declared low bidder to provide an over-the-road trailer for \$2,906.

The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Two other firms submitted prices of \$3,443 and \$3,941.94.)

Mr. Smith moved management's recommendation that Crandall Drydock Engineers (Dedham, MA) do engineering and design work and make permanent repairs to the retaining seawall at Vineyard Haven. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Erosion of the seawall has resulted in a 19-foot section breaking away. Public safety is now a concern. The Crandall firm sought \$1,400 for design work; other work at the rate of \$60 an hour. Three other bidders submitted proposals. Highest came from Fay, Spofford and Thorndike (Boston) which sought \$34,700 plus \$90 per hour.)

Mr. Smith moved, seconded by Mr. Stutz, to extend the scope of LEA Group's engineering services to better improve facilities at the Woods Hole terminal building.

The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(With the subject passenger convenience at terminals, Mr. Beach urged that the make-shift shed at Hyannis--meant to offer protection from the weather--be moved much closer to the newly-built, temporary passenger loading-unloading ramp. Mr. Beach was assured the move can be made now that the pressure of summer traffic is past.)

(more)

ITEM #4 (Report of Treasurer/Comptroller Wayne C. Lamson):

As recommended by Mr. Lamson, Mr. Smith moved that the 1989 preliminary operating budget be referred to members of the Finance Advisory Board for review and recommendations before being presented to the Members for adoption at their Nov. 23rd public meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(By way of preview of next year's operating budget, Mr. Lamson said operating costs are expected to increase by some \$964,000--up about 4.2 percent over the 1988 revised budget estimates.

(If 1989 traffic figures match expected traffic for 1988, Mr. Lamson said he believes "no major rate increase will be necessary at this time." Without the 1988 traffic increase, he said, the Authority would require a six percent rate increase during 1989.

(Mr. Grossman said Nov. 23rd would be "an opportune time...to restudy charges" assessed to Nantucket operations as a result of Woods Hole terminal costs. During 1988, he pointed out, few vessels were in Nantucket service from Woods Hole and yet 'we are now paying 25 percent of the costs of operating the Woods Hole terminal.'")

Mr. Lamson's recommendation that London Agency, Inc., of Pawtucket, RI, be used to assist in establishing and administering a deferred compensation plan--at no contribution cost to the Authority--for union and non-union employees willing to contribute from their earnings.

Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Mr. Lamson pointed out that the Internal Revenue Code permits political subdivisions, such as the Steamship Authority, to begin such a plan. Depending on the number of employees willing to contribute, the yearly administration cost would be between \$1,200 and \$1,500 yearly. Informational on the program will soon be sent to all employees, Mr. Lamson said.

On current finances, Mr. Lamson reported September's net operating income was some \$154,000 higher than expected in the revised '88 operating budget.

(more)

ITEM #5 (Report of General Manager Barry O. Fuller):

On 1989 spring, summer and fall operating schedules:

*Mr. Stutz moved the management-suggested spring, summer and fall schedules for 1989--as they affect service to Martha's Vineyard--with the notation that summer service would begin with the Memorial Day Weekend (rather than at mid-June) and that no extra trips will be assigned "for purposes of carrying cars from Woods Hole to the Vineyard". Mr. Smith seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Service in and out of the two Vineyard ports--Oak Bluffs and Vineyard Haven--will be almost identical to that in 1988. Selectmen of both Vineyard towns are in agreement on the proposed 1989 schedule, it was reported, except Oak Bluffs officials asks that the Oak Bluffs terminal be open on the Memorial Day Weekend instead of on the traditional mid-June start of the summer schedule.

(Any consideration of Vineyard summer schedules must take into account Falmouth's parking and traffic problems, Falmouth Member Mr. Smith pointed out. That is why, he said, the Authority is responding to Falmouth Selectmen's pleas by seeking to centralize most in-season parking in an area away from Falmouth Center.

(It was agreed terminal agents should be authorized to do whatever is necessary to keep cars from piling up in Woods Hole--short of assigning additional sailings beyond those published.)

*Mr. Smith moved adoption of the proposed spring, summer and fall schedules for Nantucket service--with one exception: that first sailing daily from Nantucket remain at 6:30 a.m. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(With their vote, Nantucket service during '89 would remain identical to that of 1988--with three round trips daily of M/Vs Uncatena and Nantucket during summer months and three round trips daily of M/V Nantucket during spring and fall months.

(Mr. Grossman and Mr. Beach said all Nantucket residents and truckers they've talked with prefer the 6:30 morning sailing to one a little later in the morning.

(more)

(Every person who spoke on the subject of Nantucket schedules supported the schedules as voted.)

On telephones for the deaf:

The General Manager reported that, as requested by members of the Special Services Action Committee and the Cape Organization for the Rights of the Disabled (CORD), a telecommunications device for the deaf (TDD) is being installed at the Woods Hole terminal--to be followed by installations at other terminals.

The device permits the deaf and hard-of-hearing to communicate with the Steamship Authority--one TDD to another. Those installed at terminals will be made available to hearing-impaired travellers to use to contact friends and relatives with similar equipment.

On request of Special Services Action Committee:

Mr. Fuller said this committee urges employment of a private company (Adaptive Environments) to survey Authority buildings and vessels with an eye to pinpointing physical changes and improvements needed to conform with State equal access laws.

The survey would cost between \$18,000 and \$25,000. The General Manager recommended no such contractual arrangement at this time. Rather, he said he preferred to accept the recommendations of elderly and handicapped persons, as relayed by the committee. Members agreed.

On island surveys:

Ms. Speers pointed out that Members have at hand the first part of a two-part survey of islanders. It concerns islander attitudes toward expanded service by other carriers--such as Mr. Pallotta's catamaran Boston-to-Vineyard service. Immediate delivery to the Members of that phase of the survey was meant, she said, to guide Members in consideration of requests for extended catamaran service.

The second part of the survey (moving deeper into islanders' feelings about Steamship Authority services) is meant to guide the Authority in long-range planning.

On proposal from AFFIRM:

Without taking a vote, Members rejected management's suggestion that AFFIRM be employed for a year as consultants to more quickly "enhance the Authority's human resources management system."

(more)

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Page 13

As Mr. Grossman said, he would like to see a description of the workings of the personnel "department" before an outside consultant is considered.

ITEM #7 (public comment): Both Nantucket Chamber of Commerce President Charles Balas and J. Sidney Conway (legislative liaison officer for Nantucket) urged additional service between Hyannis and Nantucket during Christmas Stroll Weekend.

Dr. Jay Segel of the Martha's Vineyard Health Care Access Committee and the Special Services Action Committee said Authority Members, in considering any license to other carriers, should insist those operators meet State laws on equal access.

Michael McHone, also of the Special Services Action Committee, commended management for paying attention to the needs of the disabled.

On new business:

*Mr. Smith moved, seconded by Mr. Stutz, that the General Manager meet with leaders of the two islands, Falmouth and Barnstable to determine what role the Steamship Authority can play in overcoming the problem of solid waste removal from the communities. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(The General Manager said he had been compiling data on the growing problem as it affects communities. He said a late-arriving letter from the Nantucket Long Range Solid Waste Disposal Committee prompted him to seek Members' approval to proceed with discussions at this time.

(Any Authority effort in this area could be extensive and involve the commitment of a vessel fulltime. It likely would be M/V Auriga.)

IN CLOSING, Captain Fuller asked that heads be bowed for a moment in memory of Captain Antone Jardin who had died earlier in the day after a lengthy illness. Active until the last days of his illness, Captain Jardin had served the Authority and its predecessor for 41 years.

At 2:02 p.m., Mr. Grossman accepted a motion to adjourn.

(A true record)

JAMES H. SMITH, Secretary

*Ray Martin*  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of Sept. 30th/88  
At Tisbury

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Sept. 30th/88  
Page 1

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STEAMSHIP AUTHORITY MEMBERS met this date on Martha's Vineyard-- at the Katharine Cornell Hall in Tisbury.

Present were the three Members:

Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and James H. Smith of Falmouth, Secretary.

The full Finance Advisory Board was also present: William R. Andrews of Falmouth; Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present for both public and executive sessions were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Phillip J. Parent, human resources director; Ray Shaffer, maintenance/contracts director; Port Engineer John Flaherty; Diane M. Speers, customer services manager; and Ray Martin, public information officer and recording secretary to the Members.

Among the 55 or so persons attending the public session were: State Senator William Q. MacLean; Dukes County Commissioners John S. Alley and Robert T. Morgan; Edgartown Selectman Fred B. Morgan; Oak Bluffs Selectmen Jack Law, Roger Wey and George Martin; Mrs. Linda Marinelli (former Oak Bluffs selectman); Falmouth Selectman Richard Armstrong; Ms. Kelly Pratt and Allan Cassidy of the Falmouth Chamber of Commerce; Citizen Douglas Abdehnour; Dr. Jay Segel of the Martha's Vineyard Health Care Access Committee; and Joseph Pallotta of Bay State Spray-Provincetown Lines.

An executive session agenda called for consideration of real estate matters, a report on the Nantucket dolphin situation, a report on S/S Naushon's sale, report on union negotiations and a report on possible litigation arising from a claim by the Boston legal firm of Widett, Slater and Goldman.

The public agenda called for:

- 1: Action on minutes of Aug. 18th meeting
- 2: Action on bills
- 3: Report and action on bids and proposals
- 4: Report of Treasurer Wayne C. Lamson
  - on health care plan revision
  - on revised operating budget for the balance of 1988
  - on current finances

(more)

## Public agenda continues:

- 5: Report of General Manager Barry O. Fuller
    - on elevator for M/V Nantucket
    - on lease agreement with Falmouth Marine
    - on 1989 winter, spring, summer and fall schedules
    - on automated ticketing program
    - on Carter Browne as consultant
    - on extension of viewing machine agreement
    - on proposals for licensing
  - 6: --New business from Members and Finance Advisory Board
  - 7: --Public comments; press queries

MR. GROSSMAN called the meeting to order at noon promptly and Members voted unanimously to go into executive session on the proposed executive agenda, in accordance with Chapter 39-A of the General Laws. Any votes taken in camera that frees the issue from executive privilege will be announced during the public session, Mr. Grossman said.

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THE EXECUTIVE SESSION agenda completed, Members voted unanimously to adjourn at 12:24 p.m. and await the start of the public session, due to begin at 1 p.m.

(more)

THE CHAIRMAN called the public session to order at 1 p.m. and immediately reported on executive session decisions now properly in the public domain:

\* The unanimous confirmation vote to purchase some 40 acres of uncleared land along Route 28, just north of the Town of Falmouth, for \$1.2 million.

\* The unanimous vote to transfer \$1.2 million from the bond redemption account to the replacement fund.

\* The unanimous vote to accept some \$90,000 from Joseph Pallotta as payment in full for some \$180,000 in costs associated with repairs to S/S Naushon just prior to turning over that vessel to the new owner, Mr. Pallotta.

(Please see executive session minutes for more detail on above three issues.)

Mr. Grossman then turned to the public agenda:

ITEM #1: Mr. Smith moved, seconded by Mr. Stutz, acceptance of the prepared minutes of the Members' meeting of Aug. 18th. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

At this point, Members agreed with Mr. Grossman that the some 55 persons present were most interested in just two topics--the matter of licensing and 1989 winter-to-fall schedules--therefore those subjects should be aired next.

On licensing (Item #5g):

The General Manager said he has four applications for licensing of passenger service to the islands: three from Bay State Spray-Provincetown Lines and one from Hy-Line Cruises. Mr. Fuller asked that the requests be tabled "pending research to determine from island residents the desirability and necessity of these license proposals."

While agreeing to put off a decision on the license requests, Members agreed with Mr. Stutz that public comment should be accepted.

Twelve persons spoke up, in addition to Mr. Pallotta of Bay State

(more)

Spray-Provincetown Lines, who was seeking (1) to renew his one-year trial license to run between Boston and Martha's Vineyard; (2) to renew his one-year trial license to run inter-island and (3) to obtain permission to operate in summer on a new route: from Boston to Nantucket.

Mr. Stutz voiced disappointment that Mr. Pallotta--as originally urged--did not carry out any extensive survey of his passengers from and back to Boston as to why they were using his service and whether or not they would have journeyed to the Vineyard if his service were not available. Did Mr. Pallotta's service lessen road traffic to Woods Hole? That, Mr. Stutz said, is what Members wanted to know and the goal of the trial license in 1988 was to curb traffic to the Cape.

Speakers split fairly evenly on the desirability of this new service offered by Mr. Pallotta: it was pointed out that the Vineyard's economy is tourist-based, which means people going to the Vineyard, hence getting people there is important; others, worried about rising traffic on the island, demand the Authority use its powers to control traffic--and point out that part of that control rests with its licensing powers as well as controlling itself.

Members agreed to take up the licensing applications at their Oct. 20th meeting on Nantucket.

On schedules:

*Mr. Smith moved management's recommended sailing schedules for the Jan. 4th to March 13th late winter period. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(It was agreed to put off a decision on the spring, summer and early fall schedules until the Oct. 20th public meeting on Nantucket--by which time the Authority will have completed at least a major part of a telephone survey of Nantucket and Vineyard residents.

(Generally, '89 schedules will mirror '88 sailings to and from both islands. One change to be weighed: whether to begin the summer schedule on the Memorial Day Weekend--when full service is in effect then reduced for two weeks or so until the normal start of summer service? Management recommended the lengthened summer schedule.

(Members accepted public comment on the schedules and Mr. Grossman pointed out that the Vineyard public can have input on the Oct. 20th decisions by communicating with Mr. Stutz, Mr. Murphy or Authority management.)

# # #

(more)

ITEM #2 (bills): *Mr. Smith moved for payment of two bills totalling \$18,770.96 to M. Rosenblatt & Son, Inc. (Hingham, MA) for vessel engineering design services (MSD installation on M/V Uncatena and AC-DC power conversion on M/V Islander. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Mr. Grossman wondered if the stream of Rosenblatt engineering bills would ever end. The General Manager said the bills are coming to a halt, that Rosenblatt work will be of value in the future but that the decision has been made to carry out a range of repairs and redesign in-house and at considerable saving, ultimately, using some of Rosenblatt's work now.)*

*Mr. Smith moved for payment of \$6,515 to the Boston law firm of Foley, Hoag & Eliot which aided in recent union (MEBA) negotiations. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*Mr. Smith also moved for payment of two bills totalling \$27,536 to the Boston law firm of Fordham & Starrett. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith*

*(Mr. Stutz said he was voting "reluctantly" for payment. Mr. Grossman said that before Mr. Fuller became General Manager in April, there was a feeling among Members that employing in-house counsel should be considered. He asked management to write a job description for such a post, thereby reviving the subject.)*

*Mr. Smith moved payment of \$1,125 to Northeastern Telecommunications (Brewster, MA) for aid in upgrading the Authority's telephone system. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(more)

Mr. Smith then moved the recommended payment of \$9,645 to Fay, Spofford & Thorndike (Boston) for engineering services in connection with planned reconstruction of Woods Hole Slip #3. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Grossman asked if there is "any end in sight on this engineering job?" Maintenance Director Ray Shaffer said: "It's about wound up. We'll be opening bids (on Slip #3) on Oct. 13th." Mr. Smith wondered why restructuring the Woods Hole terminal building itself wasn't part of the total project. He was told there would be separate bidding for terminal building work.)

Final bill before the Members was from the Falmouth law firm of Gerald Saxe and totalled \$10,493.25 for legal assistance in obtaining two Falmouth properties. Mr. Smith moved for payment. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (bids): Mr. Smith moved, seconded by Mr. Stutz, that Dave Gardner, Contractor, (Buzzards Bay, MA) be declared winning bidder to renovate the Authority's public restrooms at Vineyard Haven for up to \$20,000. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The relatively small public restrooms maintained by the Authority at its Vineyard Haven terminal are the only such restrooms within four miles of the terminal through which some 1.5 million persons pass annually. Re-done, it will accommodate persons in wheelchairs.)

Mr. Smith moved, seconded by Mr. Stutz, to confirm awards to Cambridge Packing Co. (Boston) to supply fresh meats for \$16,533.87 and lone bidder Cirelli Foods (Brockton) to supply processed foods for \$26,373.31. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

Mr. Smith moved, seconded by Mr. Stutz, to purchase two main diesel generator sets for M/V Islander from Southworth Machinery as low responsive bidder for \$78,677. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved, seconded by Mr. Stutz, to purchase a "Clausing/Colchester" lathe from low bidder Boston Machinery, Inc. (Peabody, MA) for \$20,972. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved that Francisco Tavares, Inc. (Falmouth), lowest of three bidders, pave the south access road to the Authority's Palmer Avenue parking lot for \$15,230. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved, seconded by Mr. Stutz, that Linberg Marine (Fairhaven, MA) extend its present work in Woods Hole Slip #2 to replace additional damaged dolphins with steel and concrete structures. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The Linberg firm was already on the scene, carrying out some recently voted \$34,272 repairs to dolphins when other dolphins were ruptured. Their collapse would make Slip #2 unserviceable, Members were advised--hence the emergency nature of the contract award. The latest work would add another \$86,450 to Linberg's contract.)

Maintenance Department's recommendation that North American Marine Associates (Hingham, MA) do engineering and design work necessary to instalation of MSD systems in both M/V Gay Head and M/V Katama was moved by Mr. Smith, seconded by Mr. Stutz, in the maximum amount of \$14,060. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

Bids and proposals continue:

*Mr. Smith moved a confirming vote to drydock M/V Uncatena at the yards of Newport Offshore, Inc. (Newport, RI) for a total contract price of \$56,200. Mr. Stutz seconded the motion. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

(Members were advised Newport's work has been reduced heavily and that "considerable cost savings" will result as Authority employees complete installation of Uncatena's MSD system.)

*At management's request, Mr. Smith moved, seconded by Mr. Stutz, to increase the ceiling for naval architectural services by M. Rosenblatt & Son, Inc. associated with M/V Uncatena and M/V Islander projects. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

(On April 14th, Members set an outside limit of \$34,606 to be spent for engineering plans for Uncatena and a limit of \$97,073 on the Islander. Today's vote would raise that limit to \$37,380.91 and \$132,465.96, respectively. Neither original limit has been exceeded, it was reported.

(Past Rosenblatt efforts will not be lost, Members were told. Those efforts as well as present engineering assignments will enable Authority employees to undertake work at savings to the Authority that could go into "the hundreds of thousands of dollars".)

*As recommended by management, Mr. Smith moved, seconded by Mr. Stutz, that General Electric Co. provide engineering services, provide and install all equipment necessary to the conversion of M/V Islander's electrical system from DC to AC for a firm fixed price of \$275,000. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

*For \$12,600, Mr. Smith moved that Fay, Spofford & Thorndike (Boston) study the Hyannis terminal area and develop an acceptable way to incorporate a long-desired second slip at the facility. Mr. Stutz seconded the motion. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

*Mr. Smith moved, seconded by Mr. Stutz, to proceed with a total upgrading of the Authority's telephone system (part of 1988's previously approved capital improvements budget), employing Cape & Islands Telephone (Hyannis) for \$125,700. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Of several firms that bid, Cape & Islands was deemed to be most responsive and most likely to better service its equipment at all Authority locations. The full system should be operational in early 1989--before the avalanche of phonecalls for '89 reservations.)*

*Last contract before the Members was to purchase eight buoyant apparatuses from Landrigan Corp. (Boston), necessary in the build-up of the Authority's lifesaving equipment. Mr. Smith moved the purchase; Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

# # #

ITEM #4 (Treasurer's report): *At Mr. Lamson's request, Mr. Smith moved, seconded by Mr. Stutz, to empower the Chairman to sign a revised plan document concerning the Authority's total health care plan. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Revision was necessary to include fulltime employees who are members of the National Maritime Union. NMU and Authority negotiators recently agreed to such inclusion in the Authority's plan. Plan administrator remains the Group Insurance Service Center, Inc.)*

On a revised 1988 operating budget:

*At management's request, Mr. Smith moved adoption of a revised operating budget for 1988, made necessary for "better monitoring and controlling" expenses for the remainder of the year. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(more)*

(Messrs. Andrews, Beach and Murphy of the Finance Advisory Board said they agreed with the need to revise the budget.

(Both sides of the ledger--revenue and expenses--track to levels higher than foreseen last November when Members voted 1988's preliminary operating budget.

(Mr. Lamson reported revenues likely will reach an estimated \$25.8 million due to higher-than-expected traffic levels; expenses will rise primarily because of some \$320,000 that has had to be expended on dolphin repair at Woods Hole, Vineyard Haven, Oak Bluffs and Hyannis as well as providing for costs involved in an approaching settlement with the Masters, Mates & Pilots union.)

On current finances:

Mr. Lamson reported August's net operating income was some \$212,000 down from that expected--due primarily to dolphin repairs, higher maintenance expenditures and uninsured costs associated with M/V Islander's late July grounding.

# # #

ITEM #5 (General Manager's report):

On M/V Nantucket's elevator:

Mr. Fuller reported travelling the previous week to St. Louis, headquarters of Crane Midwest Corp., elevator manufacturer almost exclusively accepted by the US Coast Guard for its products. Every inducement possible is being offered the firm to deliver all parts of an elevator system for M/V Nantucket by mid-December, Mr. Fuller reported.

On proposed agreement with Falmouth Marine:

*For discussion purposes, Mr. Smith moved management's recommendation to lease space for winter storage of vessels while Falmouth Marine undergoes restructuring of its facilities. Mr. Stutz seconded the motion.*

The VOTE:

AYES: None

NAYS: Messrs. Grossman, Stutz and Smith

(Mr. Andrews led criticism of such an arrangement, pointing out the Authority would be exposing itself to damage to and theft from highly valuable yachts. The \$12,500 rental fee wouldn't be worth it, Mr. Andrews contended.)

(more)

On automated ticketing system:

Mr. Fuller said the system should be fully operational at all terminals by late October.

On improving parking lots:

*As recommended by the General Manager, Mr. Smith moved (seconded by Mr. Stutz) that the Falmouth firm of Holmes & McGrath, civil engineers and land surveyors, plan future development of the Authority's newly purchased 40-acre site and the present Palmer Avenue facility for a total of \$38,400. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

(Falmouth Selectman Richard Armstrong voice praise of the Authority's plans which, he said, mean so much to Falmouth being able to cope with its heavy summertime traffic and parking problems. He said selectmen would appreciate being kept abreast of planned developments.)

On Carter Browne as consultant:

Members agreed to put this matter over to another meeting.

On viewing machines:

*Mr. Stutz moved, seconded by Mr. Smith, to renew the agreement whereby Tower Optical Co. and its exclusive agent (Hugh C. Taylor of Gay Head, MA) will instal and maintain aboard M/V Islander and, if acceptable to Authority management, expand to other vessels. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

AT THIS POINT, following a few more comments from the public and questions from newsmen, Members voted unanimously to adjourn for the day. Sessions closed at 2:52 p.m.

A true record

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JAMES H. SMITH, Secretary

  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of July 14th/88  
At Woods Hole

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To Members  
8/9/88

July 14th/88  
Page 1

STEAMSHIP AUTHORITY MEMBERS met at the Authority's Woods Hole headquarters building on this date, beginning at 10:30 a.m. with an open session followed immediately by an executive session. Nantucket Member Bernard D. Grossman was in the Chair.

Also attending the sessions were: Vice Chairman Robert L. Stutz of Dukes County and James H. Smith of Falmouth, Secretary. Of the three-person Finance Advisory Board, William R. Andrews of Falmouth and Robert C. Murphy of Dukes County attended. Norman F. Beach of Nantucket was away from the area.

Present for the public session, in addition to area newsmen, were: Virginia Valiela, Raymond Labossiere and Richard S. Armstrong (Falmouth's Board of Selectmen); Alan Cassady of the Falmouth Chamber of Commerce; and Falmouth Citizen Frank C. Shephard.

Management personnel present were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Phillip J. Parent of Operations; Elvio Rodrigues of Maintenance; Diane M. Speers of Customer Services; and Ray Martin, public information officer and recording secretary to the Members.

The public agenda called for:

- 1: Action on minutes of June 16th
- 2: Action on bills
- 3: Action and report on bids and proposals
- 4: Report of the Treasurer
  - on insurance renewals
  - on marine insurance proposal of Rollines, Burdick & Hunter
  - on lease with Falmouth Youth Hockey League
  - on reimbursing communities
  - on current finances
- 5: Report of the General Manager
  - on equipping M/V Islander with viewing machines
  - on erecting informational signs in the Falmouth area
  - on reciprocal travel agreement with Bonanza Busline
  - on status of emergency equipment aboard vessels
  - on inter-island license agreement change
  - on request of Hy-Line
  - on status of M/V Eagle
- 6: New business from Members; public and press comments and questions

It was announced the Members in executive session would take up (1) disputed items re the sale of S/S Naushon; (2) ratification of Teamster collective bargaining contract; (3) Hyannis property; (4) Falmouth property; (5) legislation; (6) report on Nantucket dolphins; (7) management reorganization; (8) releases on wiretap case; and (9) a further report on Consiglio property in Hyannis.

(more)

MR. GROSSMAN called the public meeting to order at the advertised time: 10:30 a.m.

ITEM #1 (Minutes): Mr. Smith moved acceptance of the prepared minutes for June 16th--with the change suggested by the Chairman. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Grossman said that--on page 7--where it states "Mr. Grossman said architects should be employed now to design an in-town building suitable for Authority needs" should, instead, say: "Mr. Grossman said an architect should be employed now to redesign the Woods Hole terminal building to better serve the public and the Authority's needs."

# # #

ITEM #2 (Bills): Mr. Smith moved for payment of \$7,972 to Foley, Hoag & Eliot (Boston) for legal services during May. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Stutz moved for payment of two bills totalling \$24,445.71 to M. Rosenblatt & Son, Inc. (Hingham, MA) for naval architectural services for M/Vs Islander and Uncatena. Mr. Smith seconded the motions. The VOTES:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved payment to Taylor Risk Management (Mattapoisett, MA) for insurance services in the amount of \$301.75. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved, seconded by Mr. Stutz, payment of \$1,250 to Joseph M. Clancy (Falmouth, MA) for property appraisal work. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

July 14th/88  
Page 3

On the final bill before the Members, Mr. Smith moved--seconded by Mr. Stutz--to pay Deloitte, Haskins & Sells (Boston) \$6,070 for auditing services. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (Bids): Mr. Smith moved, seconded by Mr. Stutz, a management-recommended award to ENERPAC, Inc. (Exeter, NH) to supply a hydraulic H-frame press for \$4,526.45. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Runnerup bidder to ENERPAC was Boston Hydraulic Sales & Service of Boston which asked \$4,664.35.)

Mr. Smith moved, seconded by Mr. Stutz, that the low, responsive bidder (New Bedford Welding Supply) provide two Miller welding machines for \$11,206.84. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Three firms--R.I. Welding Supply, Lincoln Electric Co., and Corp Brothers, Inc.--were considered non-responsive to bid requirements.)

Mr. Smith also moved, seconded by Mr. Stutz, to confirm an earlier telephone vote of the Members selecting O'Connell Lines Co. of Dighton, MA, to paint pavement markings at the Woods Hole terminal and parking lots. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Five other firms entered bids ranging up to \$12,430. Closest to the O'Connell bid price--\$1,450--was from R & J White Lines which asked \$1,495.)

(more)

*Mr. Smith moved management's request for a confirming vote to purchase a "hydrautorque" motor for \$13,900 from MacGregor-Navine (USA), Inc., of Chicago. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(The General Manager explained the motor is available only from a single overseas source. It drives the huge, new freight doors on M/Vs Eagle and Nantucket.)

*Mr. Smith also moved (seconded by Mr. Stutz) a contract award to Allied Cesspool Services (Falmouth) for daily removal of sewage from M/V Islander. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(Prices solicited from other Falmouth-area operators were higher than Allied's bid price. Contract calls for daily service from July 1st through the end of the year at the rate of 2,500 gallons each morning. Teaticket Cesspool Disposal Co. was a runnerup bidder.)

*Finally, Mr. Smith moved (seconded by Mr. Stutz) that the LEA Group (Boston) widen its engineering-planning assignment to include feasibility of developing offices on off-site properties away from Woods Hole. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(LEA originally was employed to develop plans for better use of the Woods Hole headquarters building, particularly to provide improved facilities for the public. Members understand that, eventually, a high percentage of employees now employed at Woods Hole will be shifted out of the crowded terminal area.)

# # #

ITEM #4 (Treasurer's report): Mr. Lamson reported that liquor liability coverage has been renewed for the same premium as the expiring policy. Umbrella coverage is in effect, he said, "but we don't have the premium quote yet."

Mr. Lamson also said a marine insurance proposal from Rollins, Burdick and Hunter's New York office has been received and is being reviewed by Taylor Risk Management, the Authority's insurance counsel.

(more)

*As recommended by the Treasurer and the General Manager, Mr. Smith moved (seconded by Mr. Stutz) that a long-term lease be signed with officials of the Falmouth Youth Hockey League assuring the Authority of space needed for customer parking during the high-traffic season. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(For several years, the Authority has used League property adjacent to the Authority's Palmer Avenue off-site parking lot in Falmouth. This year, the Authority is in the midst of a three-year leasing arrangement. The new, long-term pact--agreed to, in principle, previously by the Members--would take effect immediately and run for 10 years with an option for renewal of another five years.

(Base for payment would be \$35,000 per year, increasing only by whatever percentage Authority daily parking rates may increase.

(Mr. Smith pointed out that the new agreement not only helps the League with its future plans for Falmouth-area youth but also permits the Authority to redesign traffic patterns so as to ease congestion on the much-travelled Palmer Avenue, an objective urged by Falmouth selectmen.)

# # #

On another subject, Mr. Lamson responded to Mr. Grossman's request from a month earlier: that management figure out if and how the Authority could repay communities whose taxpayers subsidized Authority operations over 12 years' time--up until 1963.

(In accordance with legislation, taxpayers of New Bedford, Nantucket, Falmouth and Martha's Vineyard contributed some \$2.1 million to offset yearly operating losses. That \$2.1 is carried yearly as an Authority liability, payable to State Treasurer.)

The Chairman took the position that, if the communities could be repaid, it would help them through financial difficulties.

The Treasurer said the law is such that repayment to communities can only be considered after all bonded debt has been paid off. "There is presently no legal authority for such reimbursements prior to the purchase or redemption of all bonds outstanding," said Mr. Lamson.

Mr. Lamson continued: "In addition, in 1985 the Authority's Enabling Act was further amended to allow funds in the bond redemption account, in the Authority's discretion, to be used for any purpose for which bonds

(more)

may be issued and efforts to secure an increase in the Authority's bond authorization from \$25 million to \$35 million have been unsuccessful to date.

"And without the additional \$10 million authorization, it's anticipated that many proposed capital projects will need to be indefinitely postponed.

"Therefore, I conclude that the Authority has neither the legal authority nor the surplus funds to consider reimbursement of deficit assessments to the contributing towns at this time."

The Chairman thanked Mr. Lamson "for a very comprehensive support."

Messrs. Stutz and Smith thanked the Chairman "for trying".

# # #

Net operating income for June was some \$250,000 higher than projected. Mr. Lamson further reported that the Authority's net operating loss over the first half was some \$1,125,000 lower than projected.

# # #

ITEM #5 (General Manager's report):

*Mr. Smith moved, seconded by Mr. Stutz, that a trial one-year agreement be entered into with Tower Optical Co. to instal viewing machines (binoculars) on M/V Islander. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

# # #

*On Mr. Stutz' motion, seconded by Mr. Smith, management was instructed to carry out plans for improved signage on roads approaching Falmouth as an aid to controlling the vehicle traffic flow. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Mr. Stutz added that it's best not to rush the variable message sign program because, with electronics, "there's bound to be bugs" that can better be ironed out in the off-season.)*

(more)

July 14th/88  
Page 7

*Mr. Smith moved a management-endorsed proposal that the Authority resume a reciprocal travel program with Bonanza Bus Lines that would benefit employees of both transporters. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Donald Clauson, treasurer of Steamship Employees Assistance Program--SEAP--asked Members to consider reviving the program that existed for several years, until 1983. He said Authority employees urged SEAP to seek restoration of the popular plan whereby each firm recognizes employee identification cards for no-charge travel as passengers, on a space available basis.)

# # #

In the area of special needs and special equipment aboard vessels for transport of elderly and physically handicapped persons, Mr. Fuller asked for--and got--Members' approval to purchase (via competitive bids) four "stair-chairs" for safer movement of disabled passengers.

On his suggestion that a "Special Services Committee" be encouraged to speak for handicapped and elderly persons, the General Manager said he hoped to see formed a small, centralized organization that could communicate regularly on ideas and problems in this field.

Mr. Grossman noted the "great number of organizations" that speak for the elderly and disabled and wondered if they would be content to allow such a specialized committee to speak for them on travel, as far as the Steamship Authority is concerned. Mr. Stutz said he "liked" the concept.

*On Mr. Smith's motion (seconded by Mr. Stutz), the General Manager was directed to poll various social service agencies on their feelings about establishing such a specialized committee and to report back to the Members. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

*As requested by the General Manager, Mr. Smith moved and Mr. Stutz seconded the motion agreeing to two Vineyard-Nantucket round trips daily instead of three. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

(Original agreement this first year of farmed-out inter-island service was that Bay State Spray & Provincetown Lines would run three round trips daily between Oak Bluffs and Nantucket during the summer season. Bay State owners said their vessel couldn't hold to schedule running three round trips.

(Mr. Grossman said he has "heard a lot of compliments on the service since the schedule change".)

# # #

Richard M. Scudder, president of Hyannis Harbor Tours and Hy-Line, was present to press again for relief from a 1984 court order holding Hy-Line sailings to Nantucket and Martha's Vineyard from Hyannis to the level that existed in 1973.

Members explained, over prolonged conversation, that the "hard challenge we face" comes from people of the Islands and their elected officials: they want the Authority to exert strong control over the growing numbers of people visiting the islands, particularly during summer months (when Hy-Line operates).

Further, Mr. Smith said: "The public ought to understand that (what is at issue) are all the trips that you were denied in the suit that we defended when you sued us."

Speaking to Mr. Scudder's remarks that the Authority is making considerable money these days and Authority bondholders are secure, Mr. Grossman said: "...You heard the Treasurer say earlier that I had asked for us to help out with some of our current operating income some of the towns which paid the deficit years ago, the very valid reasons why we can't.

"And the capital needs of this Authority have not diminished, as you say in your letter. In fact, the multiplication is a higher factor because of our year-round service and some of the requirements of our year-round service."

The Hy-Line request is for permission to run 246 more trips yearly to and from Martha's Vineyard and 169 round trips to Nantucket.

Members agreed with the General Manager's summation: he should "maintain cooperative dialogue" with Hy-Line officials.

# # #

Maintenance Director Elvio Rodrigues answered most of the Members' questions concerning the Authority's standing with McDermott, Inc., builder of the Authority's new Eagle.

(more)

Mr. Rodrigues said the retainage (\$407,000 or five percent of Eagle's cost) far exceeds some \$45,000 in expense incurred related to warranty work. Further, he said, McDermott has incurred additional expenses which have to be considered in the final accounting.

Members were in receipt of special reports filed by Vessel Maintenance Manager Ray Shaffer and Chief Engineer Joseph Dawicki on developments at the shipyard during the course of Eagle's construction.

Said the Chairman: "To me, the key mentioned in both reports is having capable people from our own staff on a job (like this), overseeing the thing from beginning to end."

The General Manager said: "It's our intent and ongoing practice to involve operating personnel in any (such) projects from the inception stage right on through to the completion stage."

# # #

On Mr. Grossman's request that Authority vessels carry lifesaving equipment (liferafts) capable of keeping all passengers out of the water had the support of both Mr. Stutz and Mr. Smith.

Particularly, Mr. Grossman was concerned about lifesaving in winter months. He said there should be equipment aboard able to carry the maximum number of passengers normally carried during those cold months--not the average number of passengers normally carried.

The General Manager said he would have a report for the August meeting on what would be involved if vessels were so completely equipped. Authority vessels, he said, have always carried primary lifesaving equipment to meet Coast Guard regulations: that is, equipment sufficient to keep 33 percent of a vessel's certified capacity out of the water in rafts.

# # #

On new business:

Mr. Smith proposed written congratulations to officials and employees of Marine Biological Laboratories (MBL) of Woods Hole on the occasion next weekend of MBL's 100th anniversary.

Falmouth Board of Selectmen Virginia Valiela, Raymond Labossiere and Richard S. Armstrong were present to speak, unitedly, about "traffic saturation" (particularly in summer months) and the need for better traffic control and flow.

Most discussion focused on a half-mile stretch of Falmouth's Palmer Avenue--a section of heavily-travelled Route 28 which stretches from the Bourne Bridge clear across Cape Cod, through the center of all South Cape Cod towns and villages.

(more)

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The Authority's largest parking lot (used after all parking spaces at Woods Hble are filled) edges Palmer Avenue--a two-lane roadway. Selectmen, Mr. Smith and the General Manager mentioned high priority discussions taking place that everyone hoped could lead to faster and safer entry into and exiting from the Palmer Avenue lot.

Selectmen made it clear: there must be an early solution to summer traffic clogging along Palmer Avenue. They said they would cooperate to the fullest with the Authority.

Mr. Smith thanked the Selectmen and some of the Authority's Palmer Avenue "neighbors" for attending today's meeting. "Everyone wants a solution," he said, "and that solution can only come if we work together."

# # #

Press questions followed after which Mr. Grossman accepted the Members' recorded vote to go into executive session (under provisions of Chapter 39-A of the General Laws) to discuss labor relations and real estate acquisition matters.

The public session was adjourned at 12:01 p.m.

(more)

[REDACTED]

— 10 —

— 1 —

# ANSWER

IT

— 1 —

[REDACTED]

# ANSWER

1

[REDACTED]

MR. GROSSMAN reopened the public session after a short pause to announce publicly that Members had voted unanimously to ratify the collective bargaining agreement reached with the Teamsters union.

At 12:53 p.m., Mr. Grossman adjourned the day's proceedings.

### A true record

JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of June 16th/88  
On Nantucket

File Copy File Copy

STEAMSHIP AUTHORITY MEMBERS met in public and executive sessions on Nantucket on June 16th, 1988, with an in-camera meeting scheduled to begin at 11:10 a.m., followed by a short luncheon break and then a public meeting at 1 p.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and James H. Smith of Falmouth, Secretary.

The full Finance Advisory Board was present: William R. Andrews of Falmouth; Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Diane M. Speers and Ernest A. LaFrance of Customer Services; and Ray Martin, public information officer and recording secretary to the Members.

Executive session called for: a review of a communication from Hy-Line; report on union negotiations; action on the Towers/Perrin report as it concerns non-union employees; and real estate possibilities.

Public session called for:

- 1: Action on minutes of May 19th meeting
- 2: Action on bills
- 3: Action and report on bids
- 4: Report of Treasurer Wayne C. Lamson
  - on insurance renewals
  - on Naushon drydocking costs and negotiations with Mr. Pallotta
  - on lease renewal with Falmouth Hockey League
- 5: Report of General Manager Barry O. Fuller
  - on automated ticketing system
  - on Nantucket harbor dredging
  - on contributions to hospitals
- 6: New business from Members and Finance Advisory Board
- 7: Comments of public officials and public; questions from press

# # #

MR. GROSSMAN called the Members to order at 11:16 a.m. and asked for a motion to go into executive session immediately under the provisions of Chapter 39 of the General Laws to discuss labor negotiations, possible real estate acquisitions and other subjects proper for executive session.

Mr. Smith so moved, seconded by Mr. Stutz. The VOTE to go into executive session:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

(Although, as the Chairman pointed out, there was a hint that litigation could result if Members did not agree to proposals contained in the Hy-Line communication, Members agreed to air the subject--at least initially--in open session.)

# # #

A 7x7 grid of black and white blocks, representing a convolutional feature map. The grid consists of 49 individual blocks arranged in a 7x7 pattern. The blocks are primarily black, with white blocks appearing in a specific, non-random pattern. The white blocks are located at the following coordinates: (1,1), (1,3), (1,5), (1,7), (2,2), (2,4), (2,6), (3,1), (3,3), (3,5), (3,7), (4,2), (4,4), (4,6), (5,1), (5,3), (5,5), (5,7), (6,2), (6,4), (6,6), (7,1), (7,3), (7,5), (7,7). These white blocks form a central 3x3 cluster with smaller 2x2 clusters extending outwards, creating a cross-like or star-like pattern of white features against a black background.

# ANSWER

## ANSWER

# Geometric Series

1000 J. M. HARRIS

AT THIS POINT, at 11:59 a.m., Members recessed for lunch. They would return, the Chairman said, at 1 p.m., for opening of the public meeting.

(more)

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Page 4

AT 1 P.M., MR. GROSSMAN called the public meeting to order.

Joining the Members in open session were representatives of the area press corps as well as the following: Nantucket Selectman John McLaughlin; Charles Balas of the Nantucket Chamber of Commerce; Ms. Sheila O'Brien; Ms. Diane Coombs of the Nantucket Harbor Committee; and Terminal Agent Paul Harrington.

# # #

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the May 19th meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

ITEM #2 (bills): Mr. Smith moved, seconded by Mr. Stutz, payment of \$4,666.37 to the firm of Fay, Spofford and Thorndike (Boston) for its independent engineering review of C.E. Maguire design work on the Nantucket terminal reconstruction project, as recommended by the Inspector General. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

Payment of \$8,166.40 to John W. Gilbert Associates (Boston) for design work for M/V Nantucket was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(The General Manager pointed out that Gilbert work concerned M/V Nantucket's stability tests while in drydock in Louisiana. Tests subsequently led to the Coast Guard raising the vessel's passenger capacity to 1,300 from 1,000.)

# # #

Two motions, each by Mr. Smith, each seconded by Mr. Stutz, called for payment of a total of \$9,107.79 to M. Rosenblatt & Son (Hingham, Mass.) for naval engineering work needed on M/Vs Uncatena and Islander. The VOTES:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(more)

Mr. Smith moved for payment of \$14,328.83 to the legal firm of Fordham & Starrett (Boston) for services during May. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

(Mr. Smith said he objected to the charges.)

# # #

Two invoices totalling \$6,969.70 from Carter Browne Consulting Services (Boston) for services during May were moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Final bill, from Towers, Perrin, Forester & Crosby (Boston) in the amount of \$5,560 for analysis of licensed deck officers' pension plan was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (bids): Mr. Smith moved to award a fresh meats contract to Cambridge Packing Co. (Boston) for its low bid of \$18,819.99. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Runnerup bidder to Cambridge was Pleasant Beef Co. (Lynn, Mass.) which sought \$20,083.29.)

# # #

On Mr. Smith's motion, seconded by Mr. Stutz, Shaughnessy Aerialifts, Inc., of Boston, was chosen as low bidder to

(more)

supply the Authority with a fully reconditioned cherry picker crane for \$21,995. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(Mr. Grossman said he would abstain. He said "we've been burned before" because of inability to locate parts for reconditioned items.

(Another supplier--Logan Equipment Corp., of Boston--offered to provide new equipment for \$24,495 which management felt was unnecessary.)

# # #

Mr. Smith moved that Cape Cod Fence Co. (South Yarmouth, Mass.) be declared low successful bidder to renew fencing at the Authority's Vineyard Haven terminal.

Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Cape Cod Fence's asking price was \$3,937. Five other bidders sought a higher figure. Second lowest bid was from Pro Fence Company of Dennis, Mass., which asked \$4,100.)

# # #

Mr. Smith moved, seconded by Mr. Stutz, to award two construction projects on an emergency basis to Dave Gardner, Inc., of Buzzards Bay, Mass., for the sum of \$11,945. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(The "emergency" was to have constructed by June 14, start of the summer season, a needed wood ramp for handicapped passengers boarding and departing vessels at Woods Hole Slip #1 and to repair concrete steps near a Woods Hole parking area where minor injuries have occurred.

(A second bidder--Lindberg Marine of Fairhaven, Mass.--sought a higher figure and reported it couldn't meet the June 14 deadline for completion of the boarding ramp.

(Mr. Stutz commended management for moving quickly to have the ramp constructed, once its need was brought to the Authority's attention by spokesmen for elderly and disabled travellers.)

(more)

*As requested by management, Mr. Smith moved (seconded by Mr. Stutz) to confirm Members' telephoned decision to drydock M/V Eagle for emergency replacement of its starboard propellor. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(In mid-May, the vessel struck a submerged object near the mouth of the dredged channel leading into Hyannis harbor. Newport Offshore, Ltd., of Newport, RI, completed drydocking and repair for \$12,060 in time for the vessel to handle some Memorial Day weekend traffic.)*

# # #

*At the General Manager's request, Mr. Smith moved (seconded by Mr. Stutz) to authorize engineering and design services that would lead to air-conditioning and renovation of restroom facilities at the Woods Hole terminal building. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

*(Discussion prior to the vote indicated unanimous support by all Members as well as the Finance Advisory Board that much needs to be done very soon to put the headquarters building into better condition--especially the cramped area set aside for passengers.)*

*(Members made it clear that high on any priority list should be the shift of personnel out of the terminal building and into Falmouth proper to make way for better passenger facilities at Woods Hole. Reservations and accounting employees are among those not needed in crowded Woods Hole, Mr. Smith said. Mr. Grossman said architects should be employed now to design an in-town building suitable for Authority needs.)*

*At the Chairman's suggestion, Mr. Smith moved--seconded by Mr. Stutz--that management move promptly with engineering and design work to improve the Woods Hole terminal building and create offices closer to Falmouth Center. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

# # #

*(more)*

ITEM #4 (report of the Treasurer):

*As recommended by Mr. Lamson and the Authority's insurance advisor (Taylor Risk Management), Mr. Smith moved to renew most non-marine coverages at a premium of \$202,934, quoted by the Paul Peters Agency of Falmouth. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

*(Mr. Lamson said the premium represented a four percent increase over last year's cost. Still to come, he said, are quotations for renewing umbrella and liquor liability insurance.)*

On the sale of S/S Naushon:

The Treasurer reported that negotiations continue with Joseph Pallotta on Naushon drydocking expenses which the Authority believes should be paid entirely by Mr. Pallotta. All other payments due from the vessel purchaser have been received, Mr. Lamson said.

On lease with the Falmouth Youth Hockey League:

Mr. Lamson pointed out the Authority is at the midpoint in a three-year lease to use FYHL property for summer parking but that the League has inquired about long-term leasing now that it has decided to keep the present iceskating arena, adjacent to the Authority's Palmer Avenue parking lot.

Members agreed with Mr. Grossman that the suggested long-term lease agreement, prepared by counsel to the Authority, needs further study and revision if the Authority is to be better protected.

On current finances:

Mr. Lamson said May's estimated net operating income was some \$386,000 higher than projected in the 1988 operating budget due to high traffic levels and lower than expected vessel maintenance costs.

# # #

ITEM #5 (General Manager's report):

On automated ticketing system:

The Authority's \$164,740 system (purchased by Members' vote of Feb. 25th) couldn't be in operation by the Memorial Day weekend but

(more)

should be operational in late October, Members were advised. The system needed further programming, ticket-sellers needed further training and terminal counters needed remodelling, it was pointed out by Ernest A. LaFrance of Data Processing and Customer Services.

On dredging Nantucket harbor:

Mr. Fuller said he has received notice from the Army Corps of Engineers that six-week-long dredging of Nantucket harbor will be undertaken either this fall or next spring. All necessary public hearings have been held, the General Manager said he has been advised.

On hospital contributions:

*At Mr. Fuller's request, Mr. Smith moved (seconded by Mr. Stutz) that the Members authorize annual contributions of \$500 to each of four hospitals serving the area: Cape Cod Hospital, Hyannis; Falmouth Hospital; Cottage Hospital, Nantucket; and Martha's Vineyard Hospital. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

On Hy-Line request:

*Mr. Smith moved (seconded by Mr. Stutz) to reject the request of Hyannis Harbor Tours (Hy-Line) to increase its sailing from Hyannis to the Islands of Nantucket and Martha's Vineyard over and above its present schedule.*

*The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(The General Manager said management recommends rejection of the Hy-Line request in view of the overwhelming feeling among islanders--as expressed by island Members--that the Steamship Authority must exert greater control over traffic now clogging island services and facilities.

(Mr. Smith pointed out that Hy-Line's level of in-season service is now at a point set by a May 1984 decision of the courts. That ruling, Mr. Smith stressed, was never appealed by Hy-Line which had initiated the action questioning the extent of the Steamship Authority's control over Hy-Line scheduling. The Authority was forced to defend its legislated right of control.

(Mr. Stutz made the point that Hy-Line, in seeking to re-establish

(more)

its 1982 level of service was, in fact, a request to run 248 more round trips yearly to Martha's Vineyard and 169 more trips to Nantucket. He said this would be "opening up the floodgates" to many more thousands to the islands and he would not be party to such a decision.

(Mr. Grossman said the record should show that Hy-Line owners just last December approached the Authority in public session, asking 62 additional trips per year to Nantucket and 86 to the Vineyard.

("We did suggest at the time," said the Chairman, "that, with respect to the Christmas Stroll at Nantucket, if he wanted to operate at that time we would be willing to entertain the idea--and we've never heard from him until this most recent letter.")

# # #

On McDermott, Inc. retainage:

Mr. Fuller reported Maintenance, through May 31st, can claim some \$45,000 in charges against McDermott since M/V Eagle was received from the shipbuilder in mid-December last. That figure, the General Manager said, is "well within the five percent retainage we're holding."

The Chairman asked that the claim figure be reviewed to take into account all direct and indirect costs to the Authority. He said he doubted \$45,000 would cover all Authority expenses.

Mr. Smith said any review should include a written report on what management was doing while M/V Eagle was being constructed.

# # #

On new business:

\*\*\* Mr. Grossman urged that the Treasurer prepare an opinion that could lead to repayment of some \$2 million to the Towns of Falmouth and Nantucket and Dukes County for past tax assessments to cover Authority operating losses during the 1950s and 1960s. Reimbursement if at all possible, he said, would be welcome to local governments in financial difficulty.

\*\*\* "On behalf of management and a whole workforce which considers you a good friend," General Manager Fuller presented Mr. Smith a large silver tray in recognition of the Falmouth Member--this month-- completing 25 years of service as Member.

\*\*\* Mr. Grossman was assured by Mr. Fuller that Maintenance would fit M/V Eagle's top deck with uprights to hold a large awning this summer.

(more)

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Page 11

\*\*\* Mr. Stutz asked that large posters (leaflets as well) alert travellers to the islands of the deer tick problem.

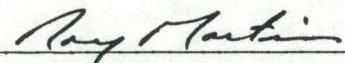
Following comments from the public (Mr. Balas of the Chamber of Commerce asked for more service over Columbus Day weekend, the Christmas Stroll period and Daffodil Festival Time), Mr. Grossman accepted Mr. Smith's motion to adjourn.

Adjournment was called at 2:11 p.m.

A true record

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JAMES H. SMITH, Secretary

  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of May 19th/88  
At Tisbury

FILE COPY FILE COPY

FIRST ISLAND PUBLIC meeting of 1988 was held at Tisbury's Katharine Cornell Hall on Martha's Vineyard on May 19th, beginning at 1 p.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and James H. Smith of Falmouth, Secretary.

All Finance Advisory Board members were present: William R. Andrews of Falmouth; Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Assistant General Manager Donald L. Hoffer; Maintenance Director Elvio Rodrigues; Operations Director Phillip J. Parent; Diane M. Speers, marketing manager; Ernest A. LaFrance, customer services manager; and Ray Martin, public information officer and recording secretary to the Members.

Attending the public meeting, in addition to area newsmen and 11 persons from the general public, were Tisbury Selectman Cora Medeiros, Gay Head Selectman Marc Widdiss and Martin J. Flynn of the Barnstable Board of Selectmen.

The public agenda called for:

- 1: Action on minutes of April 14th meeting
- 2: Action on bills
- 3: Action on bids and proposals
- 4: Report on M/V Nantucket
- 5: Report of Treasurer Wayne C. Lamson
  - on island bus stand agreements for 1988
  - on finances
- 6: Report of General Manager Barry O. Fuller
  - on inter-island service
  - on Falmouth police coverage
  - on disposition of S/S Naushon
  - on reassignment of M/Vs Eagle and Nantucket
  - on communications consultant
  - on Glidden's Seafood (Nantucket) agreement
  - on information kiosks
- 7: New business
- 8: Comments, questions from press and public

Slated for executive session were reports on union negotiations, real estate opportunities and legislative matters that could lead to litigation.

(more)

May 19th/88  
Page 2

MR. GROSSMAN CALLED the public meeting to order at 1 p.m., and the following actions and discussions--in brief--took place:

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the Members' meeting of April 14th. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Approval of the minutes was contingent on three changes urged by Mr. Grossman: (1) that two paragraphs be rearranged on Page 5; (2) that the words "re retained" on Page 6 be "be retained"; and (3) that on Page 8, under "new no-smoking rules," mention be made that smoking is permitted in a small vestibule at the Nantucket terminal.)

# # #

ITEM #2 (bills): Mr. Smith moved for payment of two bills--one for \$6,158.26, the other for \$10,012.41--to M. Rosenblatt & Son for naval architectural work on M/V Uncatena. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Mr. Smith then moved for payment of \$4,984.46 to John W. Gilbert Associates (Boston) for naval architectural work on M/V Nantucket. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Payment of \$692.75 to Taylor Risk Management (Mattapoisett) for insurance services was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more

Mr. Smith moved (seconded by Mr. Stutz) payment of \$800 to Deloitte, Haskins & Sells (Boston) for auditing services. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Mr. Lamson said he would hold this payment until receipt of an expected management letter.)

# # #

Mr. Smith moved payment of \$97.50 to the New Orleans legal firm of Deutsch, Kerrigan & Stiles. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

Towers, Perrin, Forester & Crosby's bill for \$1,875 for advice on non-union salaries was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

For legal services during April, Fordham & Starrett (Boston) billed the Authority for \$13,071.33. Payment was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

Consulting services for the Authority's computer system, supplied by Carter Browne Consultants (Boston) totalled \$8,693.16 for April. Mr. Smith moved for payment. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(more)

Item #3 (bids): As recommended by management, Mr. Smith moved (seconded by Mr. Stutz) that Colt Industries of Beloit, Wisc., be declared low responsive bidder to supply Fairbanks Morse engine parts for M/V Islander for \$47,894.69. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(It was explained that, although Colt was not the lower bidder of two firms that responded, it was the only firm that offered genuine Fairbanks Morse parts with full warranties. Colt is a subsidiary of the engine manufacturer.)

# # #

Mr. Smith moved, seconded by Mr. Stutz, that Morrison-Knudsen Co., of Rocky Mount, NC, supply a diesel engine unit injector test set for \$1,933 as lone bidder.

The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Mr. Smith moved management's recommendation that Francisco Tavares, Inc., of East Falmouth, be declared low responsive bidder to improve and enlarge the Authority's Gifford Street (Falmouth) parking lot for \$104,346. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Mr. Smith moved, seconded by Mr. Stutz, to continue participating in the Barnstable County contract program for another year's supply of heating oil (to be provided by P.S. Ideal Co., of Falmouth). The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

(more)

*Mr. Smith moved, seconded by Mr. Stutz, to endorse management's letting of a contract on an emergency basis to Wayne Roofing Systems, Inc., of Westport, Mass., for \$21,884. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(By their vote, Members verified management's decision that an emergency did exist as a result of water leaking from the roof of the headquarters building. Of two other firms contacted to do roof-replacement work, nearest bidder to the low bidder was Dave Gardner Contractor, Inc., of Buzzards Bay, Mass., which asked \$24,300.)

# # #

NOTE: At this point, Mr. Grossman recognized a uniformed official of the American Legion (Henry Decoteau of Vineyard Haven, commander of the Legion's 10th district) who presented the Authority with a new Stars and Stripes to be flown on M/V Islander.

(On behalf of the Authority, Mr. Grossman thanked Mr. Decoteau for the Legion's gift.)

# # #

ITEM #4 (status of M/V Nantucket): Mr. Rodrigues, the maintenance and construction director, reported M/V Nantucket should arrive tomorrow (May 20th) after its long stay in drydock in Louisiana.

The vessel would arrive some 10 days earlier than scheduled-- but with its new elevator system incomplete. Balance of the system (to be approved by the Coast Guard) will be completed later in the year by technicians from the elevator manufacturer and Authority personnel, Mr. Rodrigues reported.

Radio contact with vessel officers enroute from Louisiana indicates the revamped, re-engined vessel is running "smoothly".

To a question from Mr. Stutz, Mr. Rodrigues said the Authority would owe the shipyard \$1,500 for each day the vessel was turned over to the Authority short of the May 28th contract date. (Members had voted to pay such an incentive at their Feb. 25th meeting.)

# # #

(more)

Item #5 (Treasurer's report): Mr. Lamson's recommended signing of bus stand agreements at Nantucket, Vineyard Haven and Oak Bluffs was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Agreements with busline owners on both islands, said Mr. Lamson, is largely unchanged from last year--except just two rather than three stands will be used at Oak Bluffs. The Authority will receive \$7,000 from Martha's Vineyard line owners and \$5,000 plus 10 percent of sales by Authority personnel from the Nantucket operators.

(Vineyard lines are run by Island Transport, Inc., Martha's Vineyard Sightseeing Bus Line, Inc., and The Gay Head Sightseeing Co., Inc. Nantucket lines are run by Barrett's Tours, Inc., and Island Tours.

(The Members' vote empowered the Chairman to sign the agreements.)

# # #

Mr. Lamson reported the Authority's net operating loss through the year's first four months was some \$500,000 lower than expected--due to higher-than-expected traffic.

Concerning traffic and the high demand for truck space on vessel freight decks, Mr. Grossman again made the point that average truck loads on Nantucket trips are almost double those on Vineyard runs (8.64 tons vs. 4.97 tons). Better loaded trucks on Vineyard runs could open up much more freight deck space.

# # #

ITEM #6 (General Manager's report):

On inter-island service:

Mr. Fuller's recommendation that Bay State-Spray and Provincetown Steamship be authorized to provide Oak Bluffs-Nantucket passenger service this summer was moved by Mr. Smith, seconded by Mr. Stutz, along terms originally extended to John M. Hess. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

(Mr. Hess was authorized to provide the inter-island service when he appeared before the Members at their Nov. 19th/87 meeting. He offered to pay the greater of \$100,000 or 25 percent of gross ticket sales but recently advised Mr. Fuller that he would be unable to fulfill such an agreement.

(Bay State-Spray, the substitute line, will operate from June 14th through Sept. 18th offering--in the peak period of July 1-Sept. 6--three round trips daily. On other days, service would reduce to one round trip daily.)

# # #

On Falmouth police coverage:

*Mr. Smith moved, seconded by Mr. Stutz, a formula of payments by the Steamship Authority and summer police services to be provided as worked out in meetings with police officials and Falmouth selectmen. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(Total cost for the season would come to \$11,731.50. Police would be on hand seven days a week for 11 weeks--from eight in the morning until 11 at night.)

(A rider to the approved motion approved hiring three summer police special officers, through the Falmouth Police Dept., for Falmouth and Woods Hole parking lot traffic control at the rate of \$7.90 per hour. These special officers will work from mid-June until mi-September.)

# # #

On sale of S/S Naushon:

*Mr. Smith moved, seconded by Mr. Stutz, that management be empowered to sign the necessary papers turning ownership of S/S Naushon to Joseph Pallotta of Boston, reserving the right to negotiate further on other expenses due the Authority beyond the vessel's sale price. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(more)

(At their Dec. 17th/87 meeting, Members agreed by majority vote to Naushon's sale to Mr. Pallotta for \$150,001 plus an indeterminate amount associated with necessary drydocking in February. Drydocking and repair costs came to, roughly, another \$300,000--a portion of which (some \$60,000) is questioned by Mr. Pallotta as legitimate costs to him.

(The General Manager said counsel recommends a release figure of \$300,000 at this time--with the right to negotiate on any amount in dispute.

(All Members voiced concern about "weakening our hand" by releasing the vessel to Mr. Pallotta but accepted counsel's recommendation and management's optimism that much or all of the "shortfall" can be recovered in negotiations with the new owner."

# # #

On vessel reassignment:

Without a vote, Members supported the General Manager's proposed switch of M/Vs Eagle and Nantucket on the summer and early fall schedules "to provide elevator facilities for our elderly and handicapped" passengers on both island runs during the high-traffic periods ahead.

(Mr. Fuller pointed out the Authority's commitment to provide this year the best possible assistance to elderly and disabled passengers boarding and debarking Authority vessels.

(That commitment, he said, could not be met if M/V Eagle--with its elevator system--were taken off the Nantucket-Hyannis run before M/V Nantucket's elevator system is completed. Shoreside lifts do not exist at either Nantucket or Hyannis ports whereas they do exist at Woods Hole and Vineyard Haven for the benefit of Vineyard passengers.

(Mr. Fuller said the Maintenance Dept. will have a fulltime person assigned to assuring shortside lifts are in continuous operation.)

# # #

On communications consultant:

Mr. Smith moved, seconded by Mr. Stutz, engagement of Northeastern Telecommunications (Brewster, Mass.) to--in management's words--"review the Authority's communication needs, assist in preparation of the request for proposal, selection of a qualified vendor and system implementation." The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

(Mr. LaFrance recommended using Northeastern for its estimated charge of \$10,650, plus expenses. Hourly fees for "associate consultants called in" would also be billed to the Authority.

(Mr. LaFrance said he also contacted Communications Services, Inc., of Southborough, Mass., for similar services.)

# # #

On Glidden (Nantucket) contract:

*Mr. Stutz moved management's recommendation to renew a \$100 yearly lease with Glidden Island Sea Foods of Nantucket covering the shop's underground pipe that runs on Authority property. Mr. Smith seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

Members agreed with Mr. Hoffer, the Assistant General Manager, that a request to instal a computerized information kiosk at an Authority terminal be rejected. It could lead to further commercialization, he said.

# # #

On schedule change:

Members approved, without a vote, the General Manager's suggestion that an early morning sailing of M/V Gay Head from the Vineyard during the summer schedule be made even earlier so as to arrive at Nantucket before daytime hours when Nantucket Town bans trucks carrying hazardous materials.

M/V Gay Head will leave Vineyard Haven at 5:45 a.m. instead of the scheduled 6:15 a.m. for Woods Hole. From Woods Hole, the vessel daily carries trucks and hazardous cargo to Nantucket where a seasonal bylaw forbids the transport of propane and bulk gas on town streets between the hours of 10 a.m. and 5 p.m. The island's fire marshal called the Authority's attention to the bylaw recently.

# # #

On new business:

\* Mr. Stutz asked if something could be done during summer months

(more)

assure Vineyarders who commute daily to Woods Hole overnight parking space at Woods Hole. Some of the 20 or so commuters sometimes find they have to park four miles away in Falmouth.

Many other islanders who pay for yearly parking permits also would like assurance they will have parking space at Woods Hole.

# # #

Mr. Grossman recognized Barnstable Selectman Martin J. Flynn who pressed strongly for the Members' support of a law change that would give the Town of Barnstable Membership on the Authority.

Over the years since the Steamship Authority began operating out of Hyannis, traffic on to Nantucket and back has swollen, he said, adding:

"You have a great investment in Hyannis. There are various and sundry discussions as to probably enlargement of your terminal--perhaps another slip. There are parking problems tha we could work on together. In fact (there are) a number of related things (where) I think Barnstable would be helpful as far as the Authority doing business in Hyannis..."

"The (traffic) impact on our town is much like it is on the Vineyard and in Falmouth...It's difficult for me, as a selectman, to think of enlargement of (your) facility --more trips, possibly another slip--without Barnstable being knowledgeable of what is going to happen and being allowed to participate and being allowed to facilitate whatever actions are necessary..."

Mr. Grossman made it clear he, personally, favors a method whereby Barnstable gains Membership on the Authority.

Mr. Stutz said the question ultimately will go to the legislature. He said he understands Barnstable's concerns, adding:

"...while I would like to see the Port of Hyannis have some voice in some way in matters concerning the Authority, I do not want to see the positions of the representatives of Nantucket and the Vineyard diluted in any way--because this is our lifeline.

"We are completely dependent upon it for the necessities of life...and I don't think the Port of Hyannis

(more)

or even the Port of Woods Hole is dependent upon it as a lifeline...

"If you can come up with some suggestion as to how your legitimate interest in having some voice in the matters that the Authority has before it, can be provided for without diluting the influence of island representatives, I'm certainly willing to listen."

(At this point, Mr. Flynn suggested the Authority's policy-setting board could be altered to comprise two Members from each island, two from Falmouth and one from Barnstable--"to give it an odd (number) structure".)

Mr. Smith said he would support Barnstable having a position on the present three-person Finance Advisory Board but that he--and the Falmouth Board of Selectmen--oppose "changing the three-man board because it's been successful."

As a financial advisor, Barnstable would have full voice at every Steamship Authority public meeting on all issues before the Members and, said Mr. Smith, Barnstable would receive all information as the Members receive it. He added:

"...this isn't the forum. It's not fair for you to ask us to make that decision (as to Membership for Barnstable). You should be conducting this kind of discussion with the popularly elected officials of the Town of Falmouth and of Nantucket and on the Vineyard with the county commissioners."

Mr. Grossman concluded Members' remarks by saying:

"I think, with respect to our logistics and planning and so on, it would be helpful both to the town but also to the Authority and the patrons of the Authority if they (Barnstable) were represented."

"I do agree strongly with Mr. Stutz that control should be between the two islands."

From the Finance Advisory Board:

Mr. Andrews said he supports the remarks of Mr. Smith and the position of Falmouth Selectmen.

Mr. Beach said he agrees "enthusiastically" with the statements of Mr. Grossman.

(more)

Mr. Beach added: "People overemphasize the importance of having an odd-man board. (You could have) a four-man board where the Chairman doesn't vote. You could have a two-to-one or a unanimous of the other three. If it was two-to-one, the Chairman can have the authority to vote with the minority (to) create a tie vote (in which case) the motion fails."

Mr. Murphy said:

"Mr. Stutz is representing two ports, three county commissioners and 18 selectmen (from six island towns). Why can't Mr. Smith represent two ports, six selectmen and three county commissioners? Then we won't have to change the Membership at all."

All public comment--including that from Tisbury Selectman Cora Medeiros and Gay Head Selectman Marc Widdiss supported Mr. Stutz' position that no Membership change be made that would reduce the present strength of each island Members' voice and vote.

# # #

Remaining questions and comments from the public concerned the need by the Authority to better maintain shoreside elevators if the handicapped are to be helped aboard and off vessels at both Woods Hole and Vineyard Haven.

The General Manager said such maintenance is now at the top of the Authority's priority work list, until better systems are available.

# # #

Following questions from newsmen, Mr. Grossman accepted a motion to go into executive session under the provisions of Chapter 39-A of the General Laws to consider labor relations and real estate matters. The VOTE to do so was unanimous, by rollcall.

At 2:36 p.m., the public session was adjourned.

(more) .

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REVIEW OF  
THE HISTORY OF  
THE UNITED STATES  
BY  
JAMES MCGOWAN,  
LAWYER, MEMBER OF THE  
BAR OF NEW YORK,  
AND  
PUBLISHER OF THE  
NEW YORK JOURNAL OF  
LAW.

### A true record

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

STEAMSHIP AUTHORITY MEMBERS' first public meeting of 1988 was held Jan. 21st, beginning at 10:30 a.m., at the Authority's headquarters building in Woods Hole with Bernard D. Grossman of Nantucket in the Chair.

Vice Chairman Robert L. Stutz and Secretary James H. Smith--Members for Dukes County and Falmouth, respectively--were present.

Of the three Financial Advisory Board members, only Robert C. Murphy of Dukes County attended. Because of adverse weather conditions, Norman F. Beach of Nantucket and William R. Andrews of Falmouth could not be present.

Management personnel present were: Acting General Manager Wayne C. Lamson; Asst. General Manager Donald L. Hoffer; Asst. Treasurer John W. Finn; Operations Director Phillip J. Parent; Maintenance Director Elvio Rodrigues; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

Area newsmen were present for the public session as were Tisbury Selectmen Cora Medeiros and Suzan Custer; Ms. Ann Scriver of the Martha's Vineyard Commission; Mrs. Louise Blackhall of the Martha's Vineyard League of Women Voters; Chief Engineer William Hibbard; Richard Hammond of the Martha's Vineyard Chamber of Commerce; and Ms. Kelley Pratt and Alan Cassidy of the Falmouth Chamber of Commerce.

The public agenda:

- 1: Action on minutes of Dec. 17th, 1987 meeting
- 2: Action on bills
- 3: Action on bids
- 4: Status report on M/V Eagle
- 5: Report on M/V Nantucket reconstruction
- 6: Report of the Treasurer
  - on financing M/V Eagle's construction
  - on safe harbor leasing
- 7: Report of Acting General Manager
  - on food service improvement
  - on request for extended excursion travel from Nantucket
  - on S/S Naushon purchase and sales agreement
  - on license agreement with John M. Hess
  - on contingency plan for 1988 summer schedule
  - on preferred space policy

For discussion in executive session were real estate opportunities and a report on union negotiations.

(more)

MR. GROSSMAN called the public meeting to order at 10:30 a.m. and Members' deliberations immediately began.

ITEM #1 (minutes): Mr. Smith moved, seconded by Mr. Stutz, acceptance of the minutes of the Dec. 17th meeting, as amended. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Grossman asked that the minutes reflect the following:

- (1: On Page 3: Concerning the tabled legal bill of Paris, Fagan, Goldrick & McManus, mention should be made that "when the case was presented to us in November (there was) a question of advice to the Authority seasonably given and it was stated that we had not received such notice."
- (2: On Page 6: While Members did vote the \$6,000 bond issuance as reported, mention should be made that Members had approved an issue not to exceed \$50,000.
- (3: On Page 8: Mention should be made that Hy-Line owners sought permission for increased sailings to Nantucket as well as to Martha's Vineyard.

Further on Page 8, Mr. Grossman asked that the word "unanimous" be deleted from the paragraph which reads: "Members unanimously adopted the 1988 schedule of summer sailings between mainland ports and Martha's Vineyard and Nantucket at their Nov. 19th meeting--with Mr. Grossman reserving the right to question freight service.")

# # #

ITEM #2 (bills): Mr. Smith moved, seconded by Mr. Stutz, that Bruce Rafey Associates (Boston) be paid \$939.40 for their role as a labor consultant. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved payment of \$13,429.42 to Carter Browne Computer Consulting Services for recent assigned work. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

A bill for \$3,277.50 from the Falmouth legal firm of Paris, Fagan, Goldrick & McManus--tabled at the Members' December meeting--was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Stutz and Smith

NAYS: None

(Mr. Grossman asked to be recorded as abstaining.)

Mr. Smith then moved payment of \$20,210.82 to Fordham & Starrett (Boston) for legal services during December. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz

NAYS: Mr. Smith

(Mr. Smith said his objection, going back several months, remains unchanged. This prompted deeper discussion into legal costs with Members agreeing it might now be prudent to think in terms of having in-house counsel, recognizing that certain fields of law may still have to be contracted out to independent law firms.

(Mr. Grossman said Members, individually, can converse with the Acting General Manager on the subject and reach firm decisions at a later date.)

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation that John W. Gilbert Associates (Boston) be paid \$27,536.67--less certain corrections in the billing. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(The Gilbert firm designed the Authority's newest vessel, M/V Eagle. Mr. Hoffer pointed out that, in his experience, a designer's charge normally comes to about five percent of building costs. In the case of Gilbert, Mr. Hoffer said charges have been about two percent.

(Mr. Grossman said he would like to know by the February meeting whether the Gilbert firm will make some allowances for Authority expenses in remedying M/V Eagle problems that flow from design.)

# # #

(more)

ITEM # 3 (bids): Management's recommendation to purchase nine new personal computers (IBM or compatible) for \$15,741 from the low bidder, Entre, Inc., of Boston, was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

A second recommendation--to purchase six personal computer printers from Micro Concepts of Mansfield, Mass. for \$5,994--was also moved by Mr. Smith and seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The printers would be Toshiba P-351 models. In all, 17 firms offered prices with Micro extending the lowest price.)

# # #

ITEM #4 (Status of M/V Eagle): Since the Members' prior meeting in December, it was noted that the Authority's newest vessel was performing well in Nantucket-Hyannis service, despite ice conditions, extreme cold and various minor mechanical problems that crewmen and maintenance employees have had to correct.

The Assistant General Manager and the recently appointed director of maintenance (Mr. Rodrigues) pointed out that it is not at all unusual for "bugs" to appear in a newly constructed vessel as complex as the Eagle. Most new vessels, they said, undergo weeks of "debugging" after leaving a shipyard and before going into service. The Eagle went into service within a week of arrival from the McDermott yard in Morgan City, La.

Management thanked masters and chief engineers who have brought problem areas to the attention of management.

# # #

ITEM #5 (Status of M/V Nantucket): Mr. Hoffer reported that an Authority crew delivered M/V Nantucket to the Louisiana shipyard of McDermott, Inc., nine days ago (Jan. 12th) and that some five months of restructuring and repowering is underway.

(Authority Members selected the McDermott yard on bidding information given them at their Aug. 20th, 1987, meeting for a base price of \$690,916.)

(more)

Since the original contract was let, Mr. Hoffer said Members agreed to a range of vessel interior changes meant to enhance passenger comfort, decor and various customer services.

Mr. Hoffer said he has just learned from the shipyard that the "extras" would carry a price tag of some \$750,000 and--unfortunately--keep the vessel in the yard an additional 71 days or well into the summer months. To get M/V Nantucket back in time for the start of summer service, Mr. Hoffer said management recommends postponing the additional work until after the summer.

(Instalation of an elevator for the elderly and handicapped was part of the original contract--not an "extra". However, Mr. Hoffer said inclusion of the elevator (as originally designed) would mean a loss of nine vehicle spaces on the freight deck--a loss Members said was not acceptable. Redesigning is underway to lower that space loss.

To Mr. Grossman's question, Mr. Hoffer said he would check to see how much, if any, of the extra work can be undertaken without prolonging Nantucket's stay beyond the expected five months. Members agreed to the payment of overtime and premium pay if the economics shows an earlier return to M/V Nantucket is worth it.

Messrs. Grossman and Stutz agreed with Mr. Smith that for much of the time the vessel is at the McDermott yard, captains and chief engineers should be assigned as advisers. Mr. Smith said assigned ship's officers "should have input while the job is going on--not afterwards"--and that officers should file written reports during the drydock period.

# # #

ITEM #6 (Treasurer's report): Asst. Treasurer John W. Finn, now Acting Treasurer while Mr. Lamson serves as Acting General Manager, presented this report.

On the status of financing construction of M/V Eagle, Mr. Finn said \$7,584,228 has been paid to date--about 95 percent of the contract price. He estimated the final cost will be about \$8,650,000 or about 1.8 percent more than the original budgeted amount of \$8.5 million.

On safe harbor leasing:

Mr. Finn reported that agreement was reached on Dec. 30th with the Iowa-Illinois Investment Co. and that the Authority has received a cash payment of \$1,935,599.33.

That amount, Mr. Finn said, "represents the tax depreciation deductions available on the Eagle, the Katama and the Gay Head to a taxable entity" and "this payment represents about 18 percent of the combined costs of these vessels which total \$10,723,542.)

(more)

Members complimented Mr. Lamson, Mr. Finn "and everybody else involved in this endeavor" for the \$1.9 million "windfall" which, as a management memorandum pointed out, would be the equivalent of \$3.9 million had the Authority borrowed \$1.9 million through bond issuance and repaid the loan over 20 years.

The \$1.9 million "windfall," said Mr. Finn, would raise the estimated 1987 net operating income to some \$4.8 million.

# # #

ITEM #7 (Report of the Acting General Manager):

On food service improvements:

Members took no action on a management recommendation to spend some \$21,500 with a food service consulting firm--instead officials of King Neptune Caterers will be called before the Members at their February meeting to hear from the caterer on vessels (1) what he has in mind for improved service and (2) what additional facilities are needed on the vessels to permit expanded and more attractive service.

All Members agreed improvements must be made to satisfy rising complaints from travellers.

On auto excursions from Nantucket:

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation to reject a request from the Nantucket Board of Selectmen to extend the one-to-eight days auto excursion rate to 14 days. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(After reviewing experience with the program, management concluded "the extended time will allow more abuse and not serve the original intent of the excursion fare for Islanders.")

On sale of S/S Naushon:

At their Dec. 17th meeting, Members voted 2-1 (Mr. Smith dissenting) to sell S/S Naushon to one Joseph Pallotta of Boston for \$150,001 plus full compensation for February scheduled drydocking and necessary repairs. Additionally, the buyer would permit the Authority continued use of the vessel until the return of M/V Nantucket from shipyard reconstruction.

(more)

Mr. Smith moved, seconded by Mr. Stutz, that the Chairman be authorized to sign the purchase and sales agreement drafted by attorneys for the Authority and Mr. Pallotta. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith also moved--seconded by Mr. Stutz--that the Chairman sign a draft license agreement permitting Mr. Pallotta to operate a high speed catamaran service from Boston to Vineyard Haven on a one-year trial basis, beginning this summer. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Permission to operate the Boston-Vineyard Haven passenger service was voted last Oct. 1st. Mr. Pallotta had offered to pay the Authority \$100,000 for operating rights for one year.)

On another operating license--that extended to John M. Hess of West Barnstable--to carry passengers in summer between Martha's Vineyard and Nantucket, Mr. Lamson said Mr. Hess' attorney is seeking more lenient terms.

Mr. Hess had offered to pay, for one year on a trial basis, the greater amount between \$100,000 or 25 percent of gross receipts. Now, said Mr. Lamson, Mr. Hess seeks permission to pay the 25 percent of gross receipts and to eliminate the \$100,000 guarantee.

Members agreed to stay with their original decision.

On 1988 contingency summer schedule:

Mr. Smith moved management's recommended alternate partial summer schedule, devised in the event M/V Nantucket (now drydocked for extensive work) is not returned for service by June 14th, the start of the summer schedule. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The contingency plan assigns M/V Eagle to continued Hyannis-Nantucket service until M/V Nantucket is returned and continues S/S Naushon in service to the Vineyard.)

(more)

On preferred space program:

At their Dec. 17th meeting, Members approved a policy of setting aside (during the summer schedule) 10 auto spaces on each of M/V Eagle's six round trips daily between Martha's Vineyard and Woods Hole for persons beginning their round trip from the island. This was an increase from the previous limit of 15 per day. The maximum of six preferred spaces daily from Nantucket was unchanged.

By the Dec. 17th vote, users could purchase non-refundable round trip tickets up to seven days before departure and would have up to five full days to complete their round trips.

(Dating back to the late 1970s, a policy to help islanders get to the mainland and back under last-minute conditions called for setting aside 15 car spaces on the first two early morning trips from the Vineyard and six car spaces per day from Nantucket. Such round trips had to be purchased the day before sailing and the round trip completed in one day.)

Mr. Lamson said there has been confusion as to whether or not the old one-day preferred space program had been superseded by the more liberalized program adopted in December. The assurance that the Authority will meet urgencies (built into the old program) was important to islanders who feel that guarantee has been lost with the new program, Mr. Lamson said.

As recommended by management to meet last-minute needs, Mr. Smith moved (seconded by Mr. Stutz) to integrate the two programs to a maximum of 60 preferred round trips spaces daily from the Vineyard (15 of which would be available the day before sailing) and six from Nantucket (three of which could be purchased the day before sailing) during the summer schedule. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(During schedules other than that in effect during the summer, the number of preferred spaces from the Vineyard would reduce to 15 daily while the six from Nantucket would remain unchanged.)

# # #

AT THIS POINT, Mr. Grossman accepted questions from newsmen and comments from elected officials and from the Financial Advisory Board.

Mr. Murphy asked if maintenance is planning work at Oak Bluffs to accommodate M/V Islander and was told work is scheduled.

Members then, by roll call, voted to go into executive session under the provisions of Chapter 39, Section 23-B, of the General Laws to discuss labor relations and possible real estate acquisitions. The public meeting was recessed at 11:43 a.m.

(more)

A 10x10 grid of black and white squares, likely a binary matrix or a 2D barcode. The pattern is composed of various black shapes, including rectangles and L-shaped blocks, arranged in a specific sequence across the grid. The shapes are primarily black on a white background, with some white shapes appearing in the gaps between the black ones.

Jan. 21st/88  
Page 10

A 7x10 grid of black squares on a white background. The grid is composed of 7 rows and 10 columns of squares. The squares are solid black and have a consistent size. They are arranged in a rectangular pattern, filling the frame. The background is a uniform white color. There are no other elements or text present in the image.

### A true record

JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

Jan. 21st/88  
ADDENDUM

Not noticed by the recording secretary until April 20th, 1988,  
was an omitted vote. Under "bills", following is inserted:

Mr. Smith moved, seconded by Mr. Stutz, that Deloitte, Haskins &  
Sells' billing for \$6,500 on account should be paid. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

*Ray Martin*

STEAMSHIP AUTHORITY Members met this date at Woods Hole in both public and executive sessions, the open meeting beginning at the announced time of 10:30 a.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and Secretary James H. Smith of Falmouth.

Also present were the three members of the Financial Advisory Board: William R. Andrews of Falmouth (whose arrival was delayed until late in the open meeting); Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present were: Acting General Manager and Treasurer Wayne C. Lamson; Asst. General Manager Donald L. Hoffer; Acting Treasurer John W. Finn; Acting Operations Director Barry O. Fuller; Maintenance Director Elvio Rodrigues; Supervisor of Marketing Diane M. Speers; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

Attending the open meeting, in addition to area newsmen, were: Dukes County Commissioner John S. Alley; Falmouth Selectmen Virginia Valiela and John Gumbleton; Barnstable Selectman Martin Flynn; Falmouth Chamber of Commerce President Nancy Johnson; Richard Hammond of the Martha's Vineyard Chamber of Commerce; Mrs. Louise Blackhall of the Martha's Vineyard League of Women Voters; Captain James Hocking; Dr. Jay Segel and Mrs. Martha Kudravetz of the Martha's Vineyard Health Care Access Committee; Robert Schneider of King Neptune Caterers; and Nantucket Terminal Agent Paul Harrington. A delegation of some 12 truckers who carry freight on Nantucket runs was also present. They left early in the public meeting after a question concerning trucking schedules to Nantucket was discussed by the Members.

The public agenda called for:

- 1: Action on minutes of Jan. 21st meeting
- 2: Action on bills
- 3: Action on bids and proposals
- 4: A status report on M/V Eagle
- 5: A status report on M/V Nantucket
- 6: A report by the Treasurer
- 7: A report by Acting General Manager Wayne C. Lamson
  - on King Neptune Caterers
  - on John M. Hess licensing
  - on additional freight service to Nantucket
  - on transporting junked autos from the islands
  - on the Vineyard's Health Care Access Committee's requests
  - on legislation

(more)

It was announced that Members would take up legal matters, real estate opportunities, employee relations and collective bargaining in executive session.

MR. GROSSMAN called the public meeting to order at 10:30 a.m. What follows is a synopsis of the day's proceedings:

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the Members' Jan. 21st meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Stutz made the point that he had been assured that, as reported in the minutes, Members had at their Jan. 21st meeting voted for 60 preferred round trips daily on Vineyard runs during the summer schedule--and not 60 over and above the 15 usually set aside.)

# # #

ITEM #7 (additional freight service to Nantucket): Members agreed with the Chairman that this matter be discussed early so as to free--if they wished--a delegation of truck owners and drivers whose concern brought the matter to the agenda.

Mr. Smith moved management's recommendation (seconded by Mr. Stutz) that, to overcome a verified shortage of deck space during the March 1st-April 14th period, (1) M/V Katama continue making one round trip to Nantucket from Woods Hole on Mondays and Tuesdays and that M/V Auriga be put into service from Hyannis for one round trip on Tuesday, Wednesdays and Thursdays until March 15th at which time (2) M/V Auriga would make two round trips daily from Hyannis and the twice weekly trips of M/V Katama from Woods Hole would cease. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Ms. Speers, speaking for management, said she had talked with most trucking officials and the proposed increase in service should meet their needs. Truckers present agreed.

(Ms. Speers said the additional cost to the Authority in adding service would be \$91,400, much of which could be recovered if there is a high degree of usage.

(Mr. Grossman asked management "to give some further consideration with respect to (truckers') needs in the summer.")

(more)

ITEM #2 (bills): Mr. Smith moved (seconded by Mr. Stutz) to pay Deloitte, Haskins & Sells' invoice for \$10,000 for the auditing firm's role in December's safe harbor leasing arrangement. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved (seconded by Mr. Stutz) to pay \$38,769.94 to Palmer & Dodge, bond counsellors, for the part it played in securing a safe harbor lease agreement. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved (seconded by Mr. Stutz) to pay Carter Browne Consulting Services bill for \$8,482.20 for January services. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved payment of \$9,180.08 to Fordham & Starrett for legal services. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

Payment of \$15,000 to Deloitte, Haskins & Sells in connection with the 1987 audit was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Beach said finance advisors will review Deloitte's management letter as soon as it has been prepared, compare it with previous letters and advise on the next one.)

Finally on bills, Mr. Smith moved (seconded by Mr. Stutz) payment of \$1,250 to Steco Engineering of Falmouth which did engineering work for the Authority at the Hyannis terminal. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Planned at the Hyannis terminal is installation of a truck scale. It developed that the preferred site for the scale would not support the scale. Borings are being taken for an alternate site.)

(more)

ITEM #3 (bids): It was moved by Mr. Smith, seconded by Mr. Stutz, to confirm the Members' earlier telephone vote awarding the drydocking contract for S/S Naushon to Newport Offshore, Inc., of Newport, RI. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Newport was the lone bidder. It sought \$83,000 to do the 21 days of prescribed work.

(Members agreed to sell S/S Naushon for \$150,001 at their Dec. 17th meeting. A condition of sale was that the Authority could use the vessel until sometime in late May or early June--until return from another shipyard of M/V Nantucket and that expense for a scheduled drydocking would be absorbed by the new owner.

(Mr. Grossman said the record should show that Naushon's buyer agreed to pay all drydocking and necessary repair costs including transportation to and from the drydock and the usual cost of Authority supervision.)

Mr. Smith moved the recommended award to Sage, Inc., of Bangor, PA, for 12 baggage carts for the bid price of \$22,200.60. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(It was explained that a lower bidder, FMC Corp., of Orlando, FL, did not meet specifications. FMC had sought \$19,320.)

Mr. Smith moved, seconded by Mr. Stutz, that purchase of six new gasoline tow motors be from Tug Manufacturing of Marietta, GA, which sought \$79,620. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Of four bidders, it was explained that Tug was low bidder among those that came closest to meeting specifications.)

(more)

Mr. Stutz moved (seconded by Mr. Smith) that George T. Wilkinson, Inc., of East Weymouth, MA, be declared winning bidder to provide a heating forced draft oil burner for M/V Islander at the firm's bid price of \$3,300. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(A Natick, MA, firm bid almost exactly twice the Wilkinson figure.)

Mr. Smith moved (seconded by Mr. Stutz) that Linberg Marine of Fairhaven, MA, do specified repairs at the Oak Bluffs, Vineyard Haven and Hyannis terminals for \$225,600. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Three higher bidders ranged up to \$373,000 for the work.

(Much of the work is dolphin repair. Mr. Grossman said management should document the history of the wooden dolphins being replaced, together with replacement costs, as an argument in support of the more modern dolphin system constructed at Nantucket.)

Mr. Stutz moved (seconded by Mr. Smith) that M/V Katama undergo drydocking and necessary repairs at Boston Graving Corp. for the bid price of \$23,671. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Two higher bidders sought up to \$46,678.)

Mr. Smith moved management's recommendation to purchase a completely automated ticketing system from Gateway Ticketing Systems of Wayne, PA, for \$164,740. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The system would be fully operational by mid-May, Members were told. Mr. Lamson pointed out that when the Authority considered such an automatic system 10 years ago, the best price was in the \$400,000 range.

(Nineteen separate systems are involved in the purchase. Each ticket-seller would have a personal computer tied in to a

(more)

ticket-printer. Balancing a shift's income with recorded sales will be much faster. Further, the accounting office would have access to ticket sales figures far faster than at present.

(It was described as "state-of-the-art" equipment.)

# # #

ITEM #4 (status of M/V Eagle): Mr. Hoffer, the Assistant General Manager, said progress is being made on a list of repairs and adjustments to the Authority's newest vessel--work that he said was not at all unusual on a craft fresh out of the shipyard.

Adjustments have nothing to do with passenger safety or safe navigation. The Coast Guard has been made aware of work the Authority intends to carry out with its own maintenance crew while the vessel continues in operation between Nantucket and Hyannis.

Warranted items have been brought to the shipbuilder's (McDermott's) attention and will be the subject of future negotiations, including costs built up by the Authority's own maintenance employees.

# # #

ITEM #5 (status of M/V Nantucket): Mr. Hoffer reported that the McDermott shipyard has gone on "an accelerated schedule" with its work force to complete M/V Nantucket's drydocking, repairs and renovations by May 19th instead of the contract completion date of May 29th.

The Authority agreed to pay McDermott \$1,500 for every day Nantucket's work can be completed before May 29th. Part of extra work (over and above specifications to be met originally by May 29th) to be covered under the negotiated accelerated program will include modernized toilet facilities, construction of a unisex handicapped toilet facility and an improved lunchcounter area, Mr. Hoffer reported.

Inclusion of an elevator for the handicapped and elderly cannot be completed at this drydocking but much of the preparation work will be undertaken. At a later date, a customized elevator can be installed.

Mr. Rodrigues said John W. Gilbert Associates (designer of the M/V Eagle) is conferring with elevator manufacturers on the Authority's behalf to obtain the best equipment possible for a vessel like Nantucket.

# # #

(more)

Feb. 25th/88

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ITEM #6 (Treasurer's report): This was delivered by the Acting Treasurer, John W. Finn.

All bills are in now on M/V Eagle's construction, Mr. Finn said. He put the final cost at \$8,672,279--two percent over the original budget estimate of \$8.5 million. The Authority is holding back payment of \$407,000 to cover expenses incurred in corrective work.

January's operations, he said, resulted in a net operating loss of some \$150,000 less than budgeted and some \$79,000 less than the loss incurred in January of last year.

Speaking on press comments somewhat critical of Authority net income, Mr. Grossman said:

"I think all of us are cognizant of the need for many more capital improvements...Hopefully, if we can operate in the black as we have in recent years, more of the money will go into capital improvements which will provide a better terminal here in Woods Hole, better terminal facilities of the Vineyard..."

"I do not think in the experience I have had--and Mr. Smith has had many more years here, of course--that anything that the Authority has made in the years when it has made a profit has not been poured back into improvements for the travelling public."

# # #

ITEM #7 (Acting General Manager's report): Robert Schneider of King Neptune Caterers was present to give Members a rundown of ideas he has for improving food service aboard the vessels.

It was decided that Mr. Schneider should first submit a written report to the Members which can be discussed in greater detail at the Members' March 17th meeting.

--On licensing agreement:

Mr. Smith moved (seconded by Mr. Stutz) that the Chairman sign the license agreement permitting John M. Hess to operate a passenger ferry between the Vineyard and Nantucket during the summer of 1988. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

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(Members approved the grant of permission at their Nov. 19th, 1987, meeting. The Authority would receive the higher of \$100,000 or 25 percent of gross ticket sales.)

--On transporting junked vehicles from the islands:

Mr. Smith moved (seconded by Mr. Stutz) to extend the agreement whereby the Authority plays a large role in helping Dukes County and Nantucket County officials have discarded vehicles and other heavy metallic objects removed from the islands. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Dukes County Commissioner John S. Alley was present to express his board's thanks to the Authority for being so instrumental in ridding the Vineyard of eyesore abandoned vehicles.

(A report prepared by Mr. Lamson showed that, since the program began in 1985, 1,587 junked autos had been carried off Martha's Vineyard and 425 removed from Nantucket.

(Trucks hauling crushed autos, etc., if travelling on a space-available basis, are moved at no cost.)

--On health care access:

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation that management continue working with the Martha's Vineyard Health Care Access Committee (and like organizations on Nantucket) for improved movement of islanders needing medical treatment at mainland facilities and for other improved services where customers are the handicapped and elderly.

Particularly covered by the motion was the recommendation that (1) all lunchcounter areas be declared no-smoking areas and (2) the Authority will issue a special card to persons said by their physicians to be medically handicapped. (Aside from lunchcounter areas, half of all seating areas on vessels already are off-limits to smokers.) The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Hoffer, the Assistant General Manager, explained that he has held lengthy meetings with the MV Health Care Access

(more)

Committee and its leader, Dr. Jay Segel, which takes on the communications chore of making sure islanders know what to do to meet their health needs.

(The Chairman said that, at another meeting, Members can act on further management recommendations.

(Mr. Grossman pressed a health-care thought he'd expressed from time to time over the past five years: why can't the Authority have assigned to each trip--particularly on longer runs to and from Nantucket--a crew member qualified as an Emergency Medical Technician?

(He asked that management prepare a report for the March meeting on all that would be involved in staffing vessels with EMTs.)

--On legislation:

Mr. Lamson said he would be attending in early March legislative hearings on two bills filed on behalf of the Steamship Authority: one bill would raise the required bid minimum from \$1,000 to \$10,000 and the other would increase the Authority's bond authorization limit to \$35 million from the present \$25 million.

# # #

UNDER NEW BUSINESS, Mr. Stutz said he had three points he wanted noted in the record:

1: Some Vineyard homeowners who live off the island were not notified in time to take advantage of this year's early reservations policy. More time should be allowed for the mails to reach, in this instance, persons in New York and Connecticut.

2: That Tisbury Selectman Cora Medeiros wants reconsideration of this year's guaranteed standby policy.

3: That Mrs. Medeiros would like modification "of the transfer bridge here at Woods Hole to accommodate the prefabricated houses that she now has to have shipped by barge to the Vineyard." Mr. Stutz asked management to check on the cost of such modification.

# # #

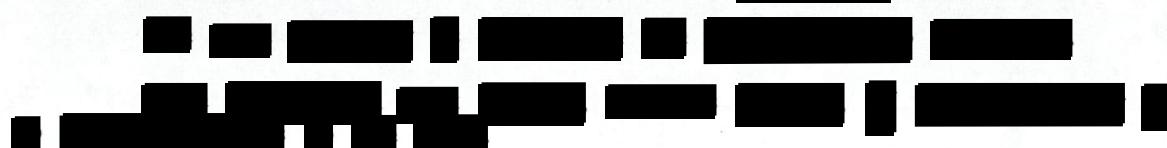
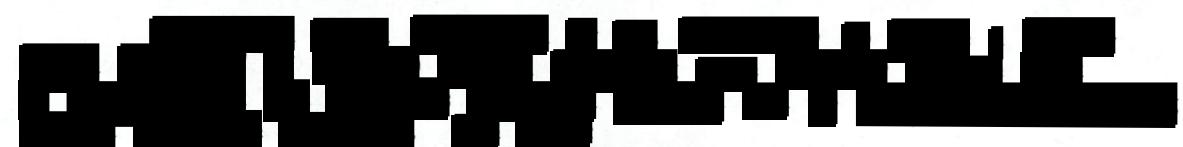
AT 12:16 p.m., after questions from newsmen were answered, Members voted unanimously to go into executive session under the provisions of Chapter 39, Section 23-B of the General Laws. A five-minutes recess was called.

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# # #

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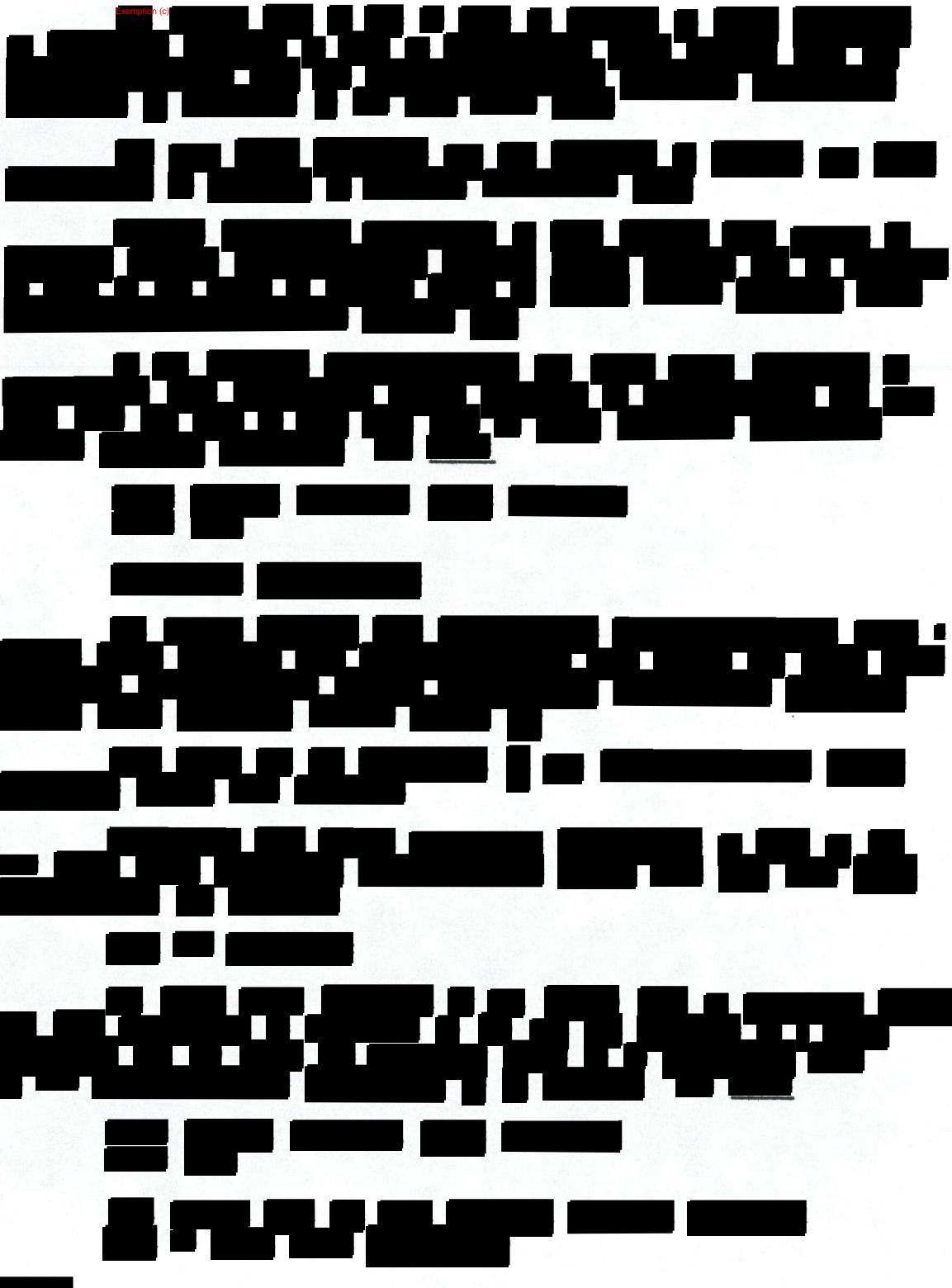
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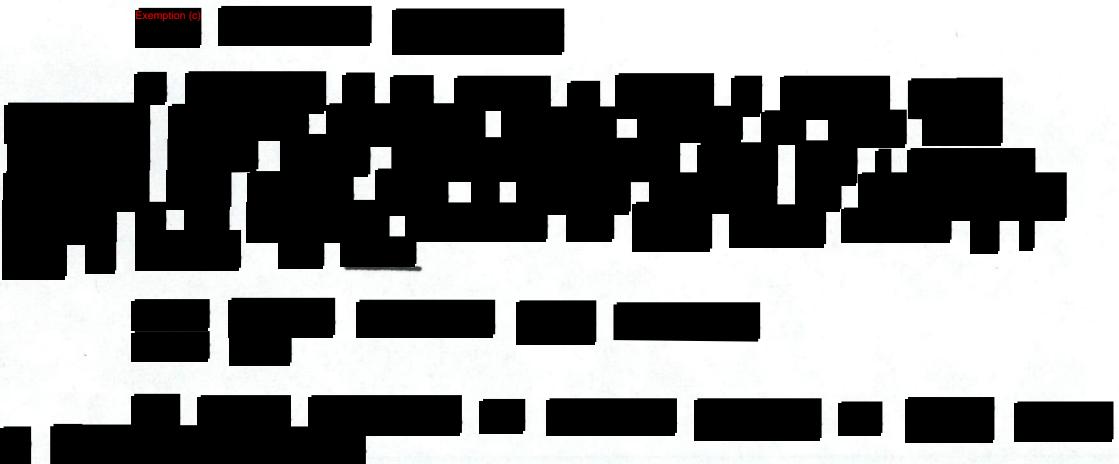
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Exemption (c)



Adjournment was called at 12:59 p.m.

A true record

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JAMES H. SMITH, Secretary

*Ray Martin*  
RAY MARTIN, Recording Secretary

March 17th/88  
Page 1

STEAMSHIP AUTHORITY MEMBERS met this date at the Authority's Woods Hole headquarters, beginning their public session at 10:30 a.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and Secretary James H. Smith of Falmouth. The full Financial Advisory Board was also present: William R. Andrews of Falmouth, Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County.

Management personnel present were: Acting General Manager and Treasurer Wayne C. Lamson; Assistant General Manager Donald L. Hoffer; Maintenance Director Elvio Rodrigues; Diane M. Speers, supervisor of marketing; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area newsmen, the following were among those who attended the public session: Falmouth Selectmen John Gumbleton and Raymond Labossiere; Dukes County Commissioner John S. Alley; Edgartown Selectman Fred B. Morgan; Allen Cassidy of the Falmouth Chamber of Commerce; Richard Hammond of the Martha's Vineyard Chamber of Commerce; Captain James Hocking; Engineer William Hibbard and Daniel Horn, liaison officer for the Barnstable Board of Selectmen.

The public agenda called for:

- 1: Action on minutes of Feb. 25th
- 2: Action on bills
- 3: Report and action on bids
- 4: Report on M/V Nantucket
- 5: Report of the Treasurer
- 6: Report of the Acting General Manager
  - on Oak Bluffs pier construction plans
  - on food service
  - on additional freight service in summer to Nantucket
  - on medical emergency policy
  - on handicapped discount travel card
  - on Nantucket dolphins
  - on legislation
- 7: Selection of General Manager

The executive session called for:

- 1: Report on union contracts
- 2: Discussion on available real estate

(more)

MR. GROSSMAN called the public meeting to order promptly at 10:30 a.m., the advertised time. What follows is a summary of actions and deliberations of the Members:

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the February 25th meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

The Chairman then granted Mr. Smith a point of special privilege: to discuss the Nantucket dolphin situation now rather than much later under the Acting General Manager's report.

Mr. Smith said he was "very upset at recent newspaper accounts and certain editorials concerning the Nantucket dolphins and a legislative amendment that is only meant to give this Authority the right to maintain existing dolphins for reasons of public safety.

"I wish," said Mr. Smith, "that those editorial writers were in the room today to hear facts instead of the fiction on which they've based their editorials."

Mr. Smith said misinformed editorial writers are being influenced into believing the Steamship Authority, in its legislative amendment, is seeking escape from all environmental laws in Nantucket harbor and that the law, if passed, could set a pattern for other agencies of government to skirt environmental law.

The legislation sought by the Steamship Authority, he said, is tailored only to protect the Authority's existing dolphin structures at Nantucket--built, he pointed out, only after all necessary Federal and state licenses were obtained. No other government agency, or private concern for that matter, has dolphins in Nantucket harbor that are threatened by state order as are the Authority's.

Referring to the 1983-85 Nantucket terminal reconstruction project, Mr. Smith said: "Two million dollars went into that dolphin system for the public's safety and to give the people of Nantucket a second slip which they've long wanted and needed."

The second slip concept was endorsed at a public meeting on Nantucket, he said. Among government agencies that approved the present dolphin system, Mr. Smith said, is the office of the Secretary of Environmental Affairs now questioning the validity of all licenses, including its own approval.

(more)

(In an opinion issued last June 3rd, State Environmental Affairs Secretary James S. Hoyte called on the Authority to defend its dolphin system, specifically why all southside slip dolphins and two of five northside slip dolphins should not be removed.)

To build support against the Authority's legislative request, Mr. Smith said the environmental affairs secretary "had to get across two falsehoods: he had to say the Nantucket second slip was unplanned and unnecessary as a permanent slip and he had to say his office did not know about these dolphins before they were constructed.

"The facts are otherwise," Mr. Smith said, adding: "And no one knows this better than Mr. Hoyte."

Mr. Grossman, the Nantucket Member, said most islanders support the second slip as necessary, that there is little concern about the dolphins themselves but that there is concern that the proposed legislation "could be construed as authorizing the Authority to go beyond state or local laws--which was never the intention.

"Our intention," said Mr. Grossman, "was only to protect the dolphins and save the people of Nantucket (who pay for all the costs in connection therewith in their fare structure) from having to pay possibly another million dollars in litigation and other action that might be required because of the dolphins."

To assure the people of Nantucket of the Authority's well-meaning intentions, Mr. Grossman proposed that the following letter go to the Nantucket Board of Selectmen over the signatures of the three Members:

"This is in reference to Senate Bill 1521, Section 72, now under consideration by the state legislature which has to do with the Nantucket terminal.

"There is absolutely no intention and no authority in the bill to change any of our facilities in Nantucket Harbor without full compliance with all applicable Federal, state and local laws.

"The intent of the bill is to end the expensive, ongoing fuss over the dolphins which arose, as you know, after they were built. The words in the bill, 'maintain, replace, repair and reconstruct all existing' facilities, mean and are limited to maintenance, repair, replacement and reconstruction--if necessary--of exactly the facility as it now exists.

(more)

"You have our commitment in this regard and you may countersign this letter and make it an agreement between us, if you like."

Messrs. Grossman, Stutz and Smith signed the letter.

# # #

ITEM #2 (bills): Mr. Smith moved payment of two bills totalling \$5,588.60 from Carter Browne of Boston, computer consultant.

Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved payment of \$11,393.26 to the legal firm of Fordham & Starrett of Boston. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

Mr. Smith moved that Deloitte, Haskins & Sells of Boston be paid \$4,200 in accordance with the auditing firm's billing. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved, seconded by Mr. Stutz, to pay a total of \$71,656.44 to Fay, Spofford & Thorndike for engineering services going back to mid-1987. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Hoffer told Members he and Mr. Lamson have followed up Members' questions about high engineering bills in conferences with Fay/Spofford officials. Mr. Hoffer said his studies of the engineering firm's products shows no duplication of effort in 1987 with 1973 engineering performed on the same site--Woods Hole's Slip #3. What was produced 15 years ago cannot be used today, said Mr. Hoffer.

It was pointed out that Members approved spending \$170,000 for Slip #3 engineering at their June 26, 1986, meeting when the project cost was estimated at \$1.9 million. Most recent estimated cost is \$2,630,000, with engineering costs up to \$218,912.

(more)

The estimated higher costs--both for construction and for engineering--were determined in December, 1986. Engineering work will continue, Mr. Hoffer said, but the firm has agreed not to charge more than its December, 1986, estimate.

Payment today of the \$71,656.44 brought Authority payments up to the previous agreed maximum of \$218,912.

*Mr. Smith then moved payment of \$4,270.51 to John W. Gilbert Associates for design work on M/V Nantucket, now in drydock for prolonged renovations. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (bids): On the motion of Mr. Smith, seconded by Mr. Stutz, Geoffrey Distributing Co., of Cranston, RI, was awarded the contract as low bidder to supply processed foods. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Geoffrey sought \$20,997.32. Also bidding was Cirelli Foods, Inc., of Brockton, MA, which asked \$23,658.59.

# # #

ITEM #4 (report on M/V Nantucket): Mr. Hoffer said the McDermott Shipyard in Morgan City, LA, is still on an accelerated work schedule, attempting to complete work on M/V Nantucket before the May 29th contract date.

Members agreed to premium pay at the rate of \$1,500 per day hoping the vessel can be returned to the Authority as early as May 19th so it could be in service by the Memorial Day Weekend.

There is no chance that the elevator for the handicapped and elderly can be installed and ready for service by the time M/V Nantucket leaves the shipyard. Management hopes to complete work on the elevator sometime after the vessel's return.

New, additional work ordered by the Coast Guard (renewing welds on M/V Nantucket's hull) set work schedules back four days, Mr. Hoffer reported. That moved the contract date back to June 2nd.

(more)

To a question from Mr. Stutz, the maintenance director (Mr. Rodrigues) said management is in the midst of a program of installing new sanitation devices on Authority vessels.

# # #

ITEM #5 (Treasurer's report): Before Mr. Lamson was called on, Mr. Beach told Members the Financial Advisory Board has met with auditors (Deloitte, Haskins & Sells) on 1987's operations.

"The audit committee," said Mr. Beach, "was assured by the external auditors that everything went so smoothly, and all (their) recommendations had been followed so closely, that they were almost on the verge of not issuing a management letter this year.

"We urged them to do so and to give us good marks where we earned them--and they will do that."

Mr. Beach also said "I should have added another complimentary remark: they were extremely complimentary of the action that Mr. Lamson had taken with regard to the sale of tax rights on our vessels. They thought that was a superb operation and that he was entitled to a good deal of credit for it."

On behalf of the Financial Advisory Board, Mr. Beach recommended that Deloitte, Haskins & Sells be retained for another year at their proposed fee of \$31,000 (an increase of 3.4 percent). Members did not act on Mr. Beach's recommendation.

In his report on finances, Mr. Lamson said the Authority's estimated net operating loss for the January-February period was some \$350,000 less than expected, primarily due to increased traffic.

# # #

ITEM #6 (report of the Acting General Manager)

On Oak Bluffs pier work:

Serving the Port of Oak Bluffs this summer will be the M/V Islander instead of the recently-sold S/S Naushon. The change necessitates a different passenger loading-unloading ramp and platform that would mean driving eight additional piles, Mr. Hoffer reported.

Rather than incur high dolphin-setting costs and await approval of permits, Mr. Hoffer said management recommends doing what the maintenance department can do: create a passenger entranceway on the vessel itself that will fit the existing rampway. That work can be done at a considerable saving, he said.

(more)

On food service aboard vessels:

Robert Schneider of King Neptune Caterers spoke lengthily on food service improvements he has in mind for the months immediately ahead. He thanked maintenance employees for a string of mechanical changes which, he said, would permit better service.

The Chairman said the subject should be on next months' agenda as well as the Authority heads into its busiest season.

On Nantucket freight service:

*Management's recommendation was moved by Mr. Smith, seconded by Mr. Stutz: to leave the already approved summer schedule as it is and to closely monitor demand for freight space on Nantucket trips. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Lamson said studies so far indicate scheduled service should be sufficient. He said he preferred to monitor freight space demand and move to meet unexpectedly high demand if and when necessary.

Assigning M/V Auriga to make runs seven days a week during the 13-week summer season would cost the Authority "close to \$250,000"--less whatever revenue might be picked up from traffic that so far is not anticipated, after checking with truckers.

On medical emergencies from the Vineyard:

Members reaffirmed the policy of medical emergency access to Authority vessels as explained by Diane M. Speers, marketing supervisor.

Mr. Stutz said the policy "is responsive to people over on the Vineyard who have expressed concern about this." He wondered about communicating the policy to the island's hospital and possibly all doctors.

Ms. Speers said that would be done. Dr. Jay Segel of the Martha's Vineyard Health Care Access Committee said his organization would give the policy island-wide publicity.

The policy is in a memo dated March 14th, 1988, to the Members. It covers persons needing emergency medical attention on the mainland. Depending on the seriousness of the case, terminal agents have the authority to bump persons with reserved auto space.

(more)

Ms. Speers said policy always has been to provide transportation as quickly as possible--even at the height of the season when vehicle deck space has long since been reserved by others.

On handicapped discount cards:

*Mr. Smith moved, seconded by Mr. Stutz, to authorize management's issuance of a Physical Handicap Discount Card (permitting half-fare passenger travel) to islanders who have a permanent physical impairment. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith

**NAYS:** None

Ms. Speers told Members the carding is an outcome of conversations with the Martha's Vineyard Health Care Access Committee. An application form, she said, "is consistent with the form used by the Commonwealth in processing handicapped license plate requests."

On EMT's on Authority vessels:

Absent the hiring of an emergency medical technician (EMT) on each trip between the mainland and Nantucket (a wage cost estimated at some \$78,000 a year), Members asked management to report more fully at the April meeting on the extent to which present crew members or licensed officers are up to date as qualified CPRs.

Members agreed it is important that at least one employee aboard each vessel has training that goes beyond first aid.

As an immediate first step toward meeting medical emergencies, management was instructed to post informational signs directing passengers to the deck and area where first aid equipment, including oxygen, is kept.

On legislation:

Mr. Lamson said the Joint Transportation Committee has reported favorably on the Authority's requests (1) to have a new bid limit of \$10,000 (rather than \$1,000 as has been practice) and (2) to increase the Authority's bonding authorization to \$35 million from the present \$25 million.

The change in procurements, etc., that must go to bid is subject to agreement by the Inspector General, said Mr. Lamson.

(more)

On appointment of General Manager:

*Mr. Smith moved (seconded by Mr. Stutz) that Captain Barry O. Fuller, Sr., presently serving as Acting Operations Director, be elevated to the position of General Manager, effective April 1st, at a salary of \$62,000 per year. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

Each Member said he has interviewed a number of persons interested in assuming the position of chief executive officer since it became evident that outgoing General Manager Ronald G. Eastman would be retiring as of Dec. 31st, 1987.

(By unanimous vote of the Members in December, Mr. Lamson has been serving as Acting General Manager. Mr. Lamson had advised Members he preferred remaining as Treasurer rather than becoming General Manager.)

In endorsing Captain Fuller's promotion, Mr. Stutz said: "At this stage of the Steamship Authority's history, I think it makes a lot of sense to promote somebody from within the organization in order to pave the way for what I hope will be improved relations between the management of the Authority and the employees of the Authority."

# # #

ON NEW BUSINESS:

*Mr. Smith moved Mr. Stutz' recommendation that the Steamship Authority cooperate with Martha's Vineyard Hospital and Nantucket Cottage Hospital in fund-raising activities that involve a presence at Authority terminals. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

Mr. Stutz said the Vineyard hospital has in mind a venture that necessitates meeting the public as it arrives on the island. It would be, said Mr. Stutz, "a one-shot, one-organization permission."

*Mr. Stutz then moved, seconded by Mr. Smith, that management cooperate with the Vineyard Conservation Society which plans video taping informationals for showing on Authority vessels at the Society's expense. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

(more)

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Mr. Stutz said the conservation society hopes to show island visitors not only the Vineyard's beauty but its vulnerability to ecological and environmental abuse.

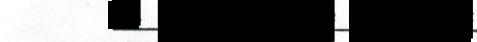
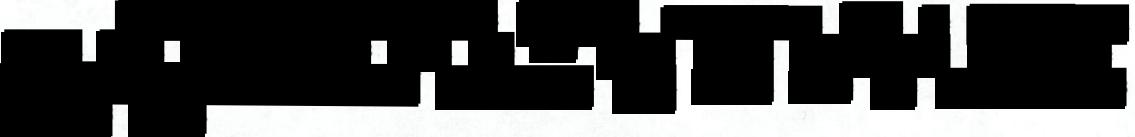
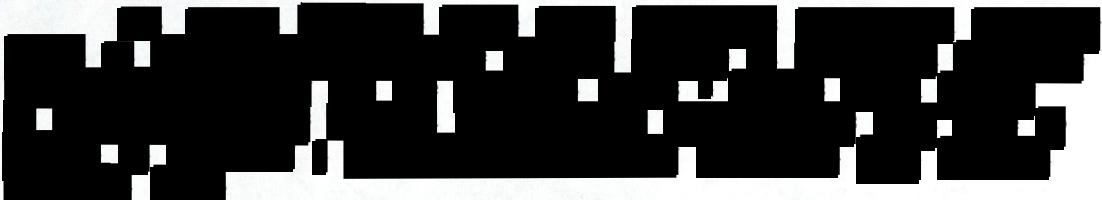
# # #

MEMBERS accepted questions from the press and listened to brief remarks of Dukes County Commissioner John S. Alley, Edgartown Selectman Fred B. Morgan and Falmouth Selectmen John Gumbleton and Raymond Labossiere.

At that point, Members by rollcall vote decided to go into executive session in accordance with the rules of Chapter 39, Section 23 of the General Laws.

(more)

Exemption (c)



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Exemption (c)



A true record

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

THE FOURTH PUBLIC MEETING of 1988 of Steamship Authority Members was held at Woods Hole on April 14th, 1988, beginning at 10:30 a.m., with Nantucket Member Bernard D. Grossman in the Chair.

Present were the three Members: Mr. Grossman; Vice Chairman Robert L. Stutz of Dukes County; and James H. Smith of Falmouth, as Secretary. Also present were the three members of the Financial Advisory Board: William R. Andrews of Falmouth; Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present were: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Donald L. Hoffer, Assistant General Manager; Elvio Rodrigues, maintenance manager; Ernest A. LaFrance, customer services director; Diane M. Speers, supervisor of marketing; and Ray Martin, public information officer and recording secretary to the Members.

Attorney Laurence S. Fordham attended the executive session only.

In addition to area newsmen, the following were present for the public session: Falmouth Selectman John Gumbleton; Barnstable Selectman Martin Flynn; Mrs. Louise Blackhall of the Martha's Vineyard League of Women Voters; Ms. Kelly Pratt and Allen Cassidy of the Falmouth Chamber of Commerce; Captain James Hocking and Engineer Howard Foster.

THE PUBLIC SESSION CALLED FOR:

- 1: Action on minutes of March 17th meeting
- 2: Action on bills
- 3: Action on bids and proposals
- 4: Report on status of M/V Nantucket
- 5: Report of Treasurer Wayne C. Lamson
  - on public officials liability insurance
  - on authorized check-signers
  - on Towers/Perrin proposal
  - on June 30th insurance renewals
- 6: Report of General Manager Barry O. Fuller
  - on legislation
  - on food service aboard vessels
  - on design services for M/V Uncatena
  - on design services for M/V Islander
  - on yearly lease with Town of Oak Bluffs
  - on emergency medical plans for vessel travellers
  - on Vineyard police contracts for Summer of 1988
  - on new no-smoking laws
- 7: New business
- 8: Public comments; press questions

An executive session, it was announced, would take up the issue of Nantucket's dolphins; labor relations; and real estate matters.

(more)

MR. GROSSMAN called the public meeting to order at 10:30 a.m. and greeted the new General Manager, Mr. Fuller, with these words:

"I know that everybody has great confidence in the contribution he's going to make as the General Manager of the Authority--and, hopefully, he's going to create new, smooth relationships within the entire Steamship Authority which includes the crews on the boats and at the terminals and in the offices.

"And, as a byproduct thereof, we people from Nantucket and Martha's Vineyard look forward to a new, high level of service to keep our patrons happy."

The Chairman then complimented Mr. Beach on his re-election as financial advisor by voters of Nantucket and Mr. Flynn on his re-election to the Town of Barnstable's Board of Selectmen.

# # #

ITEM #1 (minutes): Mr. Smith moved, seconded by Mr. Stutz, acceptance of the prepared minutes of the March 17th meeting. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #2 (bills): Mr. Smith moved for payment of \$166.75 to Taylor Risk Management (Mattapoisett) for its advice on insurance matters. Mr. Stutz seconded the motion.

The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved management recommendation to pay Palmer & Dodge (Boston) \$1,495.81 for legal services in connection with post closing matters relating to safe harbor leases. Mr. Stutz seconded the motion.

The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(more)

Mr. Smith also moved payment of \$647.20 to Bruce Rafey Associates (Boston) for labor relations counselling. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Next, Mr. Smith moved for payment of two bills, totalling \$4,598.60, to Carter Browne (Boston) for his counselling on computer operations. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Grossman asked if "we're anywhere near the end of the line" on computer counselling. Mr. LaFrance said such consultant work will be "an on-going thing". One phase of Mr. Browne's efforts should end in another month or two, Members were told.

Mr. Smith then moved, seconded by Mr. Stutz, payment of \$400 to Holmes & McGrath (Falmouth) for engineering work. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Finally, Mr. Smith moved for payment of \$17,798.62 to the Boston-based legal firm of Fordham & Starrett for services during March. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (bids): At the request of the General Manager, Mr. Smith moved that Cirelli Foods (Brockton) replace another supplier of processed foods meant for meals for vessel crewmen. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

It was explained that the substitution became necessary when Geoffrey Distributing Co. (Cranston, RI) backed away from the award as low bidder. Geoffrey had sought \$20,997.32. Cirelli, the only other bidder, had sought \$23,658.59 which Members agreed to pay.

(more)

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Page 4

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*As recommended by management, Mr. Smith moved (seconded by Mr. Stutz) that Speedway Oil Co. (South Yarmouth) supply marine diesel fuel oil for vessels refueling at Woods Hole and Hyannis. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

Seven suppliers responded to the request for bids--but only three responded in full, Members were told. As low bidder, Speedway's price would be 59.44 cents per gallon at Woods Hole and 58.84 cents per gallon at Hyannis.

*It was moved by Mr. Smith, seconded by Mr. Stutz, that Eastern Food Service Co. (Buzzards Bay) instal stainless steel cabinets in the food service area of M/V Eagle for the low bid price of \$3,500. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

Two others bidders sought amounts up to \$6,719 for the project. The new equipment was said to be essential for the concessionnaire's operations.

# # #

ITEM #4 (status of M/V Nantucket): Assistant General Manager Donald L. Hoffer and Maintenance Director Elvio Rodrigues filled in Members on M/V Nantucket's long stay in a shipyard. They were optimistic that the vessel could be turned back to the Authority ahead of the May 19th accelerated scheduled date and thus, possibly, be ready for service by the Memorial Day Weekend.

Mr. Hoffer repeated: the rush to get M/V Nantucket back from the Louisiana shipyard means new elevator construction cannot be completed at the yard. That final work must be done here later in the year.

# # #

ITEM #5 (Treasurer's report):

*Mr. Smith moved Mr. Lamson's recommendation that public officials liability insurance be renewed for another year at a premium of \$29,446. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None*

(more)

The Treasurer pointed out that underwriters are prepared to raise the coverage limit from the present \$2.5 million to \$3 million without an increase in premiums.

*Mr. Smith then moved two prepared resolutions which, in effect, added Captain Barry O. Fuller--new General Manager--to a list of three other persons authorized to sign checks, notes, drafts or orders of the Steamship Authority on stipulated banks and accounts. Mr. Stutz seconded the motion. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

The recently appointed General Manager would join Treasurer/Comptroller Wayne C. Lamson, Assistant Treasurer John W. Finn and Chief Auditor Robert C. Young as approved signators.

The resolutions designated the following banks and accounts: Falmouth National Bank (revenue, operations and special operations funds); Martha's Vineyard National Bank (revenue, operations and operations payroll funds); Pacific National Bank of Nantucket (revenue fund); and Falmouth Bank & Trust (operations fund).

*As recommended by the Treasurer, Mr. Smith moved--seconded by Mr. Stutz--that Towers/Perrin be used for another year in updating the Authority's non-union wage-salary management program. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

The Towers/Perrin proposal to continue its work said the cost to the Authority would fall between \$2,000 and \$3,000 and involve "approximately 20 hours of staff time." Additional Towers/Perrin work, if expanded to "include job pricings and position re-evaluations", would cost "approximately \$1,000 per day" more.

*Mr. Smith then moved the Treasurer's recommendation (supported by the Authority's insurance consultant) that all existing marine insurance programs--except that covering S/S Naushon--be extended another year for \$684,809. Mr. Stutz seconded the motion. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

Policies are due to expire June 30th. Mr. Lamson agreed with Insurance Advisor Edward Taylor that the Authority would be better off accepting renewal proposals from existing underwriters rather than going through another round of bidding.

(more)

Mr. Lamson said he expects to receive renewal quotes on non-marine properties before the Members' May meeting.

On current economics, Mr. Lamson reported the Authority's first quarter ended with a net operating loss some \$344,000 lower than projected in the 1988 operating budget.

On a matter not completely resolved at the March 17th meeting:

*Mr. Smith moved the recommendation of the Financial Advisory Board, seconded by Mr. Stutz, that the auditing firm of Deloitte, Haskins & Sells (Boston) be retained for another year at a fee not to exceed \$31,000. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

# # #

ITEM #6 (Report of the General Manager):

--On legislation:

Mr. Fuller said he has sent Members a recent summary of all legislation that touches on Authority operations. No action by the Members is necessary at this time, he said, nor does he have recommendations to make at this time.

--On food service improvements:

The Assistant General Manager, Mr. Hoffer, detailed physical improvement being made on vessels to help the concessionnaire improve his service to the public. Members again voiced anxiousness at seeing the concessionnaire detail his plans for improved service but agreed to judge King Neptune Caterers after new facilities have been completed and the concessionnaire has had a chance to use them.

--On M/V Uncatena engineering report:

*Mr. Smith moved (seconded by Mr. Stutz) that the Members affirm their telephone vote of recent days that the engineering firm of M. Rosenblatt & Son, Inc. (Hingham, MA) be retained for up to \$34,606 to undertake various improvements to M/V Uncatena. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

(more)

A new pilot house, work on holding tanks and installation of modern marine sanitation equipment are among projects set for M/V Uncatena at her drydocking in mid-September.

(Mr. Grossman said Members should have assurance the Authority is following new State standards on the engagement of design and engineering firms.)

*As requested by the maintenance manager, Mr. Rodrigues, Mr. Smith then moved that the same M. Rosenblatt & Son firm carry out design and engineering services to convert M/V Islander from direct to alternating current and other necessary work. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

By motion, payment to the Rosenblatt firm for work on M/V Islander would not exceed \$97,073. Islander's holding tanks will be enlarged and a new marine sanitation device installed during the vessel's next drydocking in January, 1989. Improvements to the concession area are among other work involved in Rosenblatt's assignment.

--On Town of Oak Bluffs lease:

*Mr. Smith moved, seconded by Mr. Stutz, a lease renewal with the Town of Oak Bluffs of town-owned property used in the past for staging vehicles near the Authority's Oak Bluffs terminal. The VOTE to have the Chairman sign the lease:*

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Agreed payment to the town of \$2,625 represents a five percent increase over last year, the General Manager reported.

--On emergency medical aid aboard vessels:

Mr. Hoffer reported that, beginning immediately, all licensed vessel officers on renewing their licenses will have to be recertified as CPR-trained. That, said Mr. Hoffer, means that on every trip there will be employees aboard able to give emergency medical assistance.

Further, he said, management is setting up CPR training for unlicensed crewmen to take on a voluntary basis.

(more)

Emergency medical equipment is under the care of each purser. It was agreed to follow Members' suggestions: all pursers would be more clearly identified; loudspeaker messages would support increased signage, directing passengers to the purser's quarters in the event medical assistance is required.

--On Vineyard police services:

*On management's recommendation, Mr. Smith moved to pay the Towns of Tisbury and Oak Bluffs a total of \$20,310 for their assigning of police officers for summer traffic control. Mr. Stutz seconded the motion. The VOTE:*

AYES: Messrs. Grossman, Stutz and Smith

NAYS: None

According to the agreements, Tisbury would receive \$13,410 for supplying 1,600 hours of police coverage; Oak Bluffs would receive \$6,900 for 1,001 hours' coverage. Tisbury coverage would run from May 22nd through Sept. 10th; Oak Bluffs coverage from June 14th through Sept. 30th.

--On new smoking-control laws:

At their Feb. 25th meeting, Members voted unanimously to ban all smoking in the general area of vessel lunchcounters.

Today, without voting, Members went further: smoking will be banned in all terminal buildings where the public has access and throughout most of the interior of all vessels open to the public. On the smaller vessels (M/V Katama and M/V Katama), there will be a total ban against smoking in all interior compartments.

The Assistant General Manager said just-passed legislation (House Bill #3697) includes Authority vessels as a public conveyance, subject to new State rules.

Once no-smoking areas are determined on each vessel, Members said it would be up to the purser to urge the public to abide by no-smoking regulations.

# # #

ON NEW BUSINESS:

\* Members did not act on a proposal from one Hugh Taylor of Martha's Vineyard, seeking to instal pay-binoculars on vessels. It was agreed management would check further: where the machines would be located; how secure would they be; and whether others in the area are in a position to bid for the franchise.

(more)

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\* Mr. Stutz urged terminal personnel at Vineyard Haven and Woods Hole to pay more attention to the serviceability of shoreside elevators so they work more reliably.

Mr. Murphy said management should check with airlines on equipment they use to provide sheltered, ramped access and egress for travellers. Such equipment would cost far less than elevators, he said.

\* Falmouth Selectman Gumbleton said he would be meeting with Authority officials on bus routes followed by Authority drivers this summer.

Following questions from newsmen, it was VOTED unanimously by rollcall to go into executive session under the provisions of Chapter 39-A of the General Laws to discuss issues that might lead to litigation, labor relations and real estate acquisitions.

(Note: The public session was ended at 11:36 a.m.

# # #

(more)



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Page 11

JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

April 14th/88  
Addendum

AT THEIR May 19th, 1988, meeting, Members approved the prepared minutes of the April 14th meeting with the following changes:

- 1: On Page 6, fourth paragraph, the words "re retained" in Mr. Smith's motion be corrected to "be retained".
- 2: On Page 8, under "on new smoking-control laws," it be noted that while smoking is now "banned in all terminal buildings where the public has access...", smoking is still permitted in a small vestibule of the Nantucket terminal.

(end)

MINUTES:

Steamship Authority Members'  
Meeting of March 17th/88  
At Woods Hole

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March 17th/88

Page 1

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STEAMSHIP AUTHORITY MEMBERS met this date at the Authority's Woods Hole headquarters, beginning their public session at 10:30 a.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and Secretary James H. Smith of Falmouth. The full Financial Advisory Board was also present: William R. Andrews of Falmouth, Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County.

Management personnel present were: Acting General Manager and Treasurer Wayne C. Lamson; Assistant General Manager Donald L. Hoffer; Maintenance Director Elvio Rodrigues; Diane M. Speers, supervisor of marketing; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area newsmen, the following were among those who attended the public session: Falmouth Selectmen John Gumbleton and Raymond Labossiere; Dukes County Commissioner John S. Alley; Edgartown Selectman Fred B. Morgan; Allen Cassidy of the Falmouth Chamber of Commerce; Richard Hammond of the Martha's Vineyard Chamber of Commerce; Captain James Hocking; Engineer William Hibbard and Daniel Horn, liaison officer for the Barnstable Board of Selectmen.

The public agenda called for:

- 1: Action on minutes of Feb. 25th
- 2: Action on bills
- 3: Report and action on bids
- 4: Report on M/V Nantucket
- 5: Report of the Treasurer
- 6: Report of the Acting General Manager
  - on Oak Bluffs pier construction plans
  - on food service
  - on additional freight service in summer to Nantucket
  - on medical emergency policy
  - on handicapped discount travel card
  - on Nantucket dolphins
  - on legislation
- 7: Selection of General Manager

The executive session called for:

- 1: Report on union contracts
- 2: Discussion on available real estate

(more)

MR. GROSSMAN called the public meeting to order promptly at 10:30 a.m., the advertised time. What follows is a summary of actions and deliberations of the Members:

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the February 25th meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

The Chairman then granted Mr. Smith a point of special privilege: to discuss the Nantucket dolphin situation now rather than much later under the Acting General Manager's report.

Mr. Smith said he was "very upset at recent newspaper accounts and certain editorials concerning the Nantucket dolphins and a legislative amendment that is only meant to give this Authority the right to maintain existing dolphins for reasons of public safety.

"I wish," said Mr. Smith, "that those editorial writers were in the room today to hear facts instead of the fiction on which they've based their editorials."

Mr. Smith said misinformed editorial writers are being influenced into believing the Steamship Authority, in its legislative amendment, is seeking escape from all environmental laws in Nantucket harbor and that the law, if passed, could set a pattern for other agencies of government to skirt environmental law.

The legislation sought by the Steamship Authority, he said, is tailored only to protect the Authority's existing dolphin structures at Nantucket--built, he pointed out, only after all necessary Federal and state licenses were obtained. No other government agency, or private concern for that matter, has dolphins in Nantucket harbor that are threatened by state order as are the Authority's.

Referring to the 1983-85 Nantucket terminal reconstruction project, Mr. Smith said: "Two million dollars went into that dolphin system for the public's safety and to give the people of Nantucket a second slip which they've long wanted and needed."

The second slip concept was endorsed at a public meeting on Nantucket, he said. Among government agencies that approved the present dolphin system, Mr. Smith said, is the office of the Secretary of Environmental Affairs now questioning the validity of all licenses, including its own approval.

(more)

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(In an opinion issued last June 3rd, State Environmental Affairs Secretary James S. Hoyte called on the Authority to defend its dolphin system, specifically why all southside slip dolphins and two of five northside slip dolphins should not be removed.)

To build support against the Authority's legislative request, Mr. Smith said the environmental affairs secretary "had to get across two falsehoods: he had to say the Nantucket second slip was unplanned and unnecessary as a permanent slip and he had to say his office did not know about these dolphins before they were constructed.

"The facts are otherwise," Mr. Smith said, adding: "And no one knows this better than Mr. Hoyte."

Mr. Grossman, the Nantucket Member, said most islanders support the second slip as necessary, that there is little concern about the dolphins themselves but that there is concern that the proposed legislation "could be construed as authorizing the Authority to go beyond state or local laws--which was never the intention.

"Our intention," said Mr. Grossman, "was only to protect the dolphins and save the people of Nantucket (who pay for all the costs in connection therewith in their fare structure) from having to pay possibly another million dollars in litigation and other action that might be required because of the dolphins."

To assure the people of Nantucket of the Authority's well-meaning intentions, Mr. Grossman proposed that the following letter go to the Nantucket Board of Selectmen over the signatures of the three Members:

"This is in reference to Senate Bill 1521, Section 72, now under consideration by the state legislature which has to do with the Nantucket terminal.

"There is absolutely no intention and no authority in the bill to change any of our facilities in Nantucket Harbor without full compliance with all applicable Federal, state and local laws.

"The intent of the bill is to end the expensive, ongoing fuss over the dolphins which arose, as you know, after they were built. The words in the bill, 'maintain, replace, repair and reconstruct all existing' facilities, mean and are limited to maintenance, repair, replacement and reconstruction--if necessary--of exactly the facility as it now exists.

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"You have our commitment in this regard and you may countersign this letter and make it an agreement between us, if you like."

Messrs. Grossman, Stutz and Smith signed the letter.

# # #

ITEM #2 (bills): Mr. Smith moved payment of two bills totalling \$5,588.60 from Carter Browne of Boston, computer consultant. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved payment of \$11,393.26 to the legal firm of Fordham & Starrett of Boston. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

Mr. Smith moved that Deloitte, Haskins & Sells of Boston be paid \$4,200 in accordance with the auditing firm's billing. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved, seconded by Mr. Stutz, to pay a total of \$71,656.44 to Fay, Spofford & Thorndike for engineering services going back to mid-1987. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Hoffer told Members he and Mr. Lamson have followed up Members' questions about high engineering bills in conferences with Fay/Spofford officials. Mr. Hoffer said his studies of the engineering firm's products shows no duplication of effort in 1987 with 1973 engineering performed on the same site--Woods Hole's Slip #3. What was produced 15 years ago cannot be used today, said Mr. Hoffer.

It was pointed out that Members approved spending \$170,000 for Slip #3 engineering at their June 26, 1986, meeting when the project cost was estimated at \$1.9 million. Most recent estimated cost is \$2,630,000, with engineering costs up to \$218,912.

(more)

The estimated higher costs--both for construction and for engineering--were determined in December, 1986. Engineering work will continue, Mr. Hoffer said, but the firm has agreed not to charge more than its December, 1986, estimate.

Payment today of the \$71,656.44 brought Authority payments up to the previous agreed maximum of \$218,912.

Mr. Smith then moved payment of \$4,270.51 to John W. Gilbert Associates for design work on M/V Nantucket, now in drydock for prolonged renovations. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

# # #

ITEM #3 (bids): On the motion of Mr. Smith, seconded by Mr. Stutz, Geoffrey Distributing Co., of Cranston, RI, was awarded the contract as low bidder to supply processed foods. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Geoffrey sought \$20,997.32. Also bidding was Cirelli Foods, Inc., of Brockton, MA, which asked \$23,658.59.

# # #

ITEM #4 (report on M/V Nantucket): Mr. Hoffer said the McDermott Shipyard in Morgan City, LA, is still on an accelerated work schedule, attempting to complete work on M/V Nantucket before the May 29th contract date.

Members agreed to premium pay at the rate of \$1,500 per day hoping the vessel can be returned to the Authority as early as May 19th so it could be in service by the Memorial Day Weekend.

There is no chance that the elevator for the handicapped and elderly can be installed and ready for service by the time M/V Nantucket leaves the shipyard. Management hopes to complete work on the elevator sometime after the vessel's return.

New, additional work ordered by the Coast Guard (renewing welds on M/V Nantucket's hull) set work schedules back four days, Mr. Hoffer reported. That moved the contract date back to June 2nd.

(more)

To a question from Mr. Stutz, the maintenance director (Mr. Rodrigues) said management is in the midst of a program of installing new sanitation devices on Authority vessels.

# # #

ITEM #5 (Treasurer's report): Before Mr. Lamson was called on, Mr. Beach told Members the Financial Advisory Board has met with auditors (Deloitte, Haskins & Sells) on 1987's operations.

"The audit committee," said Mr. Beach, "was assured by the external auditors that everything went so smoothly, and all (their) recommendations had been followed so closely, that they were almost on the verge of not issuing a management letter this year.

"We urged them to do so and to give us good marks where we earned them--and they will do that."

Mr. Beach also said" "I should have added another complimentary remark: they were extremely complimentary of the action that Mr. Lamson had taken with regard to the sale of tax rights on our vessels. They thought that was a superb operation and that he was entitled to a good deal of credit for it."

On behalf of the Financial Advisory Board, Mr. Beach recommended that Deloitte, Haskins & Sells be retained for another year at their proposed fee of \$31,000 (an increase of 3.4 percent). Members did not act on Mr. Beach's recommendation.

In his report on finances, Mr. Lamson said the Authority's estimated net operating loss for the January-February period was some \$350,000 less than expected, primarily due to increased traffic.

# # #

ITEM #6 (report of the Acting General Manager)

On Oak Bluffs pier work:

Serving the Port of Oak Bluffs this summer will be the M/V Islander instead of the recently-sold S/S Naushon. The change necessitates a different passenger loading-unloading ramp and platform that would mean driving eight additional piles, Mr. Hoffer reported.

Rather than incur high dolphin-setting costs and await approval of permits, Mr. Hoffer said management recommends doing what the maintenance department can do: create a passenger entranceway on the vessel itself that will fit the existing rampway. That work can be done at a considerable saving, he said.

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On food service aboard vessels:

Robert Schneider of King Neptune Caterers spoke lengthily on food service improvements he has in mind for the months immediately ahead. He thanked maintenance employees for a string of mechanical changes which, he said, would permit better service.

The Chairman said the subject should be on next months' agenda as well as the Authority heads into its busiest season.

On Nantucket freight service:

*Management's recommendation was moved by Mr. Smith, seconded by Mr. Stutz: to leave the already approved summer schedule as it is and to closely monitor demand for freight space on Nantucket trips. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith

**NAYS:** None

Mr. Lamson said studies so far indicate scheduled service should be sufficient. He said he preferred to monitor freight space demand and move to meet unexpectedly high demand if and when necessary.

Assigning M/V Auriga to make runs seven days a week during the 13-week summer season would cost the Authority "close to \$250,000"-- less whatever revenue might be picked up from traffic that so far is not anticipated, after checking with truckers.

On medical emergencies from the Vineyard:

Members reaffirmed the policy of medical emergency access to Authority vessels as explained by Diane M. Speers, marketing supervisor.

Mr. Stutz said the policy "is responsive to people over on the Vineyard who have expressed concern about this." He wondered about communicating the policy to the island's hospital and possibly all doctors.

Ms. Speers said that would be done. Dr. Jay Segel of the Martha's Vineyard Health Care Access Committee said his organization would give the policy island-wide publicity.

The policy is in a memo dated March 14th, 1988, to the Members. It covers persons needing emergency medical attention on the mainland. Depending on the seriousness of the case, terminal agents have the authority to bump persons with reserved auto space.

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Ms. Speers said policy always has been to provide transportation as quickly as possible--even at the height of the season when vehicle deck space has long since been reserved by others.

On handicapped discount cards:

*Mr. Smith moved, seconded by Mr. Stutz, to authorize management's issuance of a Physical Handicap Discount Card (permitting half-fare passenger travel) to islanders who have a permanent physical impairment. The VOTE:*

**AYES:** Messrs. Grossman, Stutz and Smith  
**NAYS:** None

Ms. Speers told Members the carding is an outcome of conversations with the Martha's Vineyard Health Care Access Committee. An application form, she said, "is consistent with the form used by the Commonwealth in processing handicapped license plate requests."

On EMT's on Authority vessels:

Absent the hiring of an emergency medical technician (EMT) on each trip between the mainland and Nantucket (a wage cost estimated at some \$78,000 a year), Members asked management to report more fully at the April meeting on the extent to which present crew members or licensed officers are up to date as qualified CPRs.

Members agreed it is important that at least one employee aboard each vessel has training that goes beyond first aid.

As an immediate first step toward meeting medical emergencies, management was instructed to post informational signs directing passengers to the deck and area where first aid equipment, including oxygen, is kept.

On legislation:

Mr. Lamson said the Joint Transportation Committee has reported favorably on the Authority's requests (1) to have a new bid limit of \$10,000 (rather than \$1,000 as has been practice) and (2) to increase the Authority's bonding authorization to \$35 million from the present \$25 million.

The change in procurements, etc., that must go to bid is subject to agreement by the Inspector General, said Mr. Lamson.

(more)

On appointment of General Manager:

*Mr. Smith moved (seconded by Mr. Stutz) that Captain Barry O. Fuller, Sr., presently serving as Acting Operations Director, be elevated to the position of General Manager, effective April 1st, at a salary of \$62,000 per year. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

Each Member said he has interviewed a number of persons interested in assuming the position of chief executive officer since it became evident that outgoing General Manager Ronald G. Eastman would be retiring as of Dec. 31st, 1987.

(By unanimous vote of the Members in December, Mr. Lamson has been serving as Acting General Manager. Mr. Lamson had advised Members he preferred remaining as Treasurer rather than becoming General Manager.)

In endorsing Captain Fuller's promotion, Mr. Stutz said: "At this stage of the Steamship Authority's history, I think it makes a lot of sense to promote somebody from within the organization in order to pave the way for what I hope will be improved relations between the management of the Authority and the employees of the Authority."

# # #

ON NEW BUSINESS:

*Mr. Smith moved Mr. Stutz' recommendation that the Steamship Authority cooperate with Martha's Vineyard Hospital and Nantucket Cottage Hospital in fund-raising activities that involve a presence at Authority terminals. Mr. Stutz seconded the motion. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

Mr. Stutz said the Vineyard hospital has in mind a venture that necessitates meeting the public as it arrives on the island. It would be, said Mr. Stutz, "a one-shot, one-organization permission."

*Mr. Stutz then moved, seconded by Mr. Smith, that management cooperate with the Vineyard Conservation Society which plans video taping informationals for showing on Authority vessels at the Society's expense. The VOTE:*

*AYES: Messrs. Grossman, Stutz and Smith*

*NAYS: None*

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Mr. Stutz said the conservation society hopes to show island visitors not only the Vineyard's beauty but its vulnerability to ecological and environmental abuse.

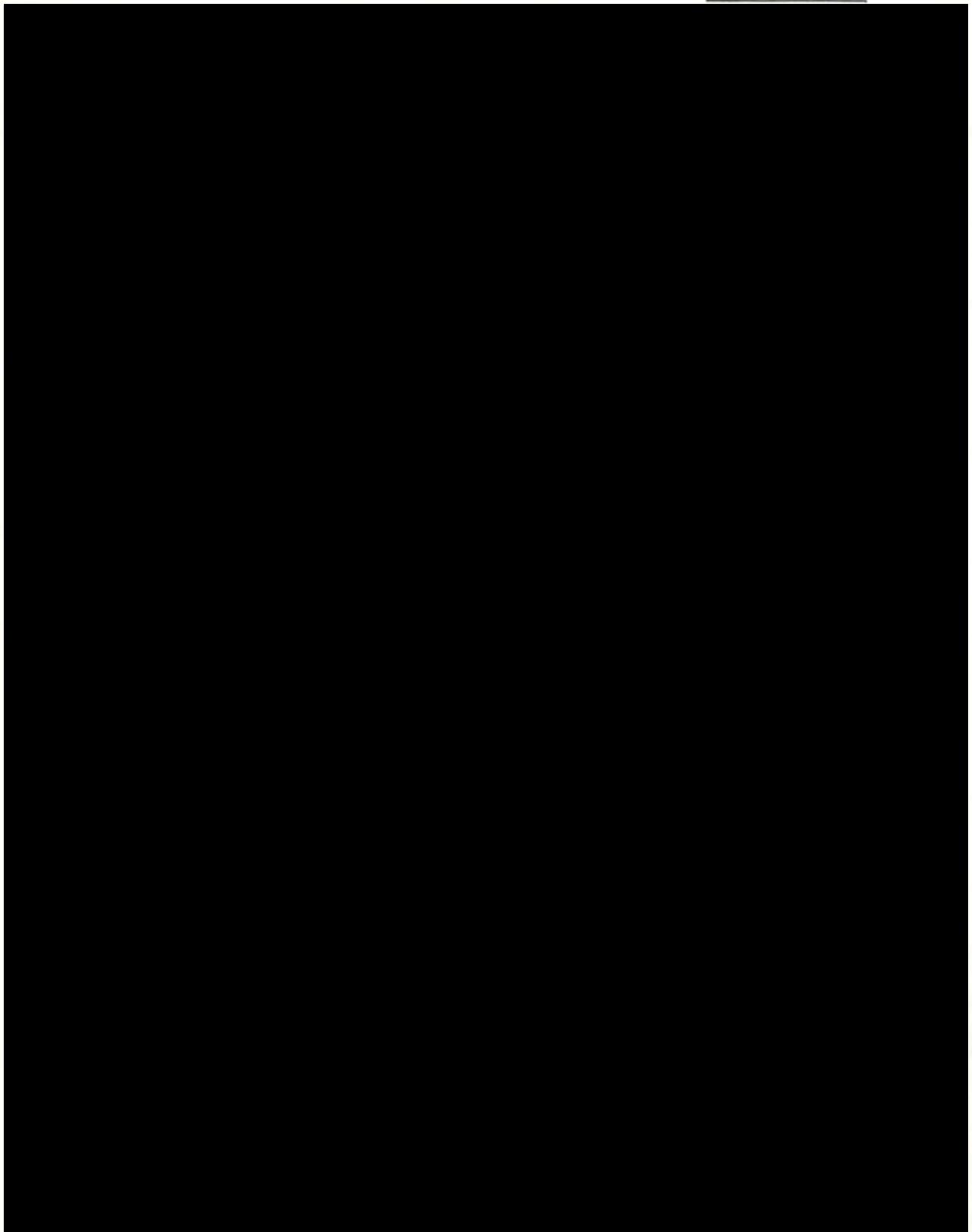
# # #

MEMBERS accepted questions from the press and listened to brief remarks of Dukes County Commissioner John S. Alley, Edgartown Selectman Fred B. Morgan and Falmouth Selectmen John Gumbleton and Raymond Labossiere.

At that point, Members by rollcall vote decided to go into executive session in accordance with the rules of Chapter 39, Section 23 of the General Laws.

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of Feb. 25th/88  
At Woods Hole

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STEAMSHIP AUTHORITY Members met this date at Woods Hole in both public and executive sessions, the open meeting beginning at the announced time of 10:30 a.m.

Present were the three Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Robert L. Stutz of Dukes County; and Secretary James H. Smith of Falmouth.

Also present were the three members of the Financial Advisory Board: William R. Andrews of Falmouth (whose arrival was delayed until late in the open meeting); Norman F. Beach of Nantucket; and Robert C. Murphy of Dukes County.

Management personnel present were: Acting General Manager and Treasurer Wayne C. Lamson; Asst. General Manager Donald L. Hoffer; Acting Treasurer John W. Finn; Acting Operations Director Barry O. Fuller; Maintenance Director Elvio Rodrigues; Supervisor of Marketing Diane M. Speers; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

Attending the open meeting, in addition to area newsmen, were: Dukes County Commissioner John S. Alley; Falmouth Selectmen Virginia Valiela and John Gumbleton; Barnstable Selectman Martin Flynn; Falmouth Chamber of Commerce President Nancy Johnson; Richard Hammond of the Martha's Vineyard Chamber of Commerce; Mrs. Louise Blackhall of the Martha's Vineyard League of Women Voters; Captain James Hocking; Dr. Jay Segel and Mrs. Martha Kudravetz of the Martha's Vineyard Health Care Access Committee; Robert Schneider of King Neptune Caterers; and Nantucket Terminal Agent Paul Harrington. A delegation of some 12 truckers who carry freight on Nantucket runs was also present. They left early in the public meeting after a question concerning trucking schedules to Nantucket was discussed by the Members.

The public agenda called for:

- 1: Action on minutes of Jan. 21st meeting
- 2: Action on bills
- 3: Action on bids and proposals
- 4: A status report on M/V Eagle
- 5: A status report on M/V Nantucket
- 6: A report by the Treasurer
- 7: A report by Acting General Manager Wayne C. Lamson
  - on King Neptune Caterers
  - on John M. Hess licensing
  - on additional freight service to Nantucket
  - on transporting junked autos from the islands
  - on the Vineyard's Health Care Access Committee's requests
  - on legislation

(more)

It was announced that Members would take up legal matters, real estate opportunities, employee relations and collective bargaining in executive session.

MR. GROSSMAN called the public meeting to order at 10:30 a.m. What follows is a synopsis of the day's proceedings:

ITEM #1 (minutes): Mr. Smith moved acceptance of the prepared minutes of the Members' Jan. 21st meeting. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Stutz made the point that he had been assured that, as reported in the minutes, Members had at their Jan. 21st meeting voted for 60 preferred round trips daily on Vineyard runs during the summer schedule-- and not 60 over and above the 15 usually set aside.)

# # #

ITEM #7 (additional freight service to Nantucket): Members agreed with the Chairman that this matter be discussed early so as to free--if they wished--a delegation of truck owners and drivers whose concern brought the matter to the agenda.

Mr. Smith moved management's recommendation (seconded by Mr. Stutz) that, to overcome a verified shortage of deck space during the March 1st-April 14th period, (1) M/V Katama continue making one round trip to Nantucket from Woods Hole on Mondays and Tuesdays and that M/V Auriga be put into service from Hyannis for one round trip on Tuesday, Wednesdays and Thursdays until March 15th at which time (2) M/V Auriga would make two round trips daily from Hyannis and the twice weekly trips of M/V Katama from Woods Hole would cease. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Ms. Speers, speaking for management, said she had talked with most trucking officials and the proposed increase in service should meet their needs. Truckers present agreed.

(Ms. Speers said the additional cost to the Authority in adding service would be \$91,400, much of which could be recovered if there is a high degree of usage.

(Mr. Grossman asked management "to give some further consideration with respect to (truckers') needs in the summer.")

(more)

ITEM #2 (bills): Mr. Smith moved (seconded by Mr. Stutz) to pay Deloitte, Haskins & Sells' invoice for \$10,000 for the auditing firm's role in December's safe harbor leasing arrangement. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved (seconded by Mr. Stutz) to pay \$38,769.94 to Palmer & Dodge, bond counsellors, for the part it played in securing a safe harbor lease agreement. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved (seconded by Mr. Stutz) to pay Carter Browne Consulting Services bill for \$8,482.20 for January services. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith moved payment of \$9,180.08 to Fordham & Starrett for legal services. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

Payment of \$15,000 to Deloitte, Haskins & Sells in connection with the 1987 audit was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Beach said finance advisors will review Deloitte's management letter as soon as it has been prepared, compare it with previous letters and advise on the next one.)

Finally on bills, Mr. Smith moved (seconded by Mr. Stutz) payment of \$1,250 to Steco Engineering of Falmouth which did engineering work for the Authority at the Hyannis terminal. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Planned at the Hyannis terminal is installation of a truck scale. It developed that the preferred site for the scale would not support the scale. Borings are being taken for an alternate site.)

(more)

ITEM #3 (bids): It was moved by Mr. Smith, seconded by Mr. Stutz, to confirm the Members' earlier telephone vote awarding the drydocking contract for S/S Naushon to Newport Offshore, Inc., of Newport, RI. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Newport was the lone bidder. It sought \$83,000 to do the 21 days of prescribed work.

(Members agreed to sell S/S Naushon for \$150,001 at their Dec. 17th meeting. A condition of sale was that the Authority could use the vessel until sometime in late May or early June--until return from another shipyard of M/V Nantucket and that expense for a scheduled drydocking would be absorbed by the new owner.

(Mr. Grossman said the record should show that Naushon's buyer agreed to pay all drydocking and necessary repair costs including transportation to and from the drydock and the usual cost of Authority supervision.)

Mr. Smith moved the recommended award to Sage, Inc., of Bangor, PA, for 12 baggage carts for the bid price of \$22,200.60. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(It was explained that a lower bidder, FMC Corp., of Orlando, FL, did not meet specifications. FMC had sought \$19,320.)

Mr. Smith moved, seconded by Mr. Stutz, that purchase of six new gasoline tow motors be from Tug Manufacturing of Marietta, GA, which sought \$79,620. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Of four bidders, it was explained that Tug was low bidder among those that came closest to meeting specifications.)

(more)

Mr. Stutz moved (seconded by Mr. Smith) that George T. Wilkinson, Inc., of East Weymouth, MA, be declared winning bidder to provide a heating forced draft oil burner for M/V Islander at the firm's bid price of \$3,300. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(A Natick, MA, firm bid almost exactly twice the Wilkinson figure.)

Mr. Smith moved (seconded by Mr. Stutz) that Linberg Marine of Fairhaven, MA, do specified repairs at the Oak Bluffs, Vineyard Haven and Hyannis terminals for \$225,600. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Three higher bidders ranged up to \$373,000 for the work.

(Much of the work is dolphin repair. Mr. Grossman said management should document the history of the wooden dolphins being replaced, together with replacement costs, as an argument in support of the more modern dolphin system constructed at Nantucket.)

Mr. Stutz moved (seconded by Mr. Smith) that M/V Katama undergo drydocking and necessary repairs at Boston Graving Corp. for the bid price of \$23,671. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Two higher bidders sought up to \$46,678.)

Mr. Smith moved management's recommendation to purchase a completely automated ticketing system from Gateway Ticketing Systems of Wayne, PA, for \$164,740. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The system would be fully operational by mid-May, Members were told. Mr. Lamson pointed out that when the Authority considered such an automatic system 10 years ago, the best price was in the \$400,000 range.

(Nineteen separate systems are involved in the purchase. Each ticket-seller would have a personal computer tied in to a

(more)

ticket-printer. Balancing a shift's income with recorded sales will be much faster. Further, the accounting office would have access to ticket sales figures far faster than at present.

(It was described as "state-of-the-art" equipment.)

# # #

ITEM #4 (status of M/V Eagle): Mr. Hoffer, the Assistant General Manager, said progress is being made on a list of repairs and adjustments to the Authority's newest vessel--work that he said was not at all unusual on a craft fresh out of the shipyard.

Adjustments have nothing to do with passenger safety or safe navigation. The Coast Guard has been made aware of work the Authority intends to carry out with its own maintenance crew while the vessel continues in operation between Nantucket and Hyannis.

Warranted items have been brought to the shipbuilder's (McDermott's) attention and will be the subject of future negotiations, including costs built up by the Authority's own maintenance employees.

# # #

ITEM #5 (status of M/V Nantucket): Mr. Hoffer reported that the McDermott shipyard has gone on "an accelerated schedule" with its work force to complete M/V Nantucket's drydocking, repairs and renovations by May 19th instead of the contract completion date of May 29th.

The Authority agreed to pay McDermott \$1,500 for every day Nantucket's work can be completed before May 29th. Part of extra work (over and above specifications to be met originally by May 29th) to be covered under the negotiated accelerated program will include modernized toilet facilities, construction of a unisex handicapped toilet facility and an improved lunchcounter area, Mr. Hoffer reported.

Inclusion of an elevator for the handicapped and elderly cannot be completed at this drydocking but much of the preparation work will be undertaken. At a later date, a customized elevator can be installed.

Mr. Rodrigues said John W. Gilbert Associates (designer of the M/V Eagle) is conferring with elevator manufacturers on the Authority's behalf to obtain the best equipment possible for a vessel like Nantucket.

# # #

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ITEM #6 (Treasurer's report): This was delivered by the Acting Treasurer, John W. Finn.

All bills are in now on M/V Eagle's construction, Mr. Finn said. He put the final cost at \$8,672,279--two percent over the original budget estimate of \$8.5 million. The Authority is holding back payment of \$407,000 to cover expenses incurred in corrective work.

January's operations, he said, resulted in a net operating loss of some \$150,000 less than budgeted and some \$79,000 less than the loss incurred in January of last year.

Speaking on press comments somewhat critical of Authority net income, Mr. Grossman said:

"I think all of us are cognizant of the need for many more capital improvements...Hopefully, if we can operate in the black as we have in recent years, more of the money will go into capital improvements which will provide a better terminal here in Woods Hole, better terminal facilities of the Vineyard..."

"I do not think in the experience I have had--and Mr. Smith has had many more years here, of course--that anything that the Authority has made in the years when it has made a profit has not been poured back into improvements for the travelling public."

# # #

ITEM #7 (Acting General Manager's report): Robert Schneider of King Neptune Caterers was present to give Members a rundown of ideas he has for improving food service aboard the vessels.

It was decided that Mr. Schneider should first submit a written report to the Members which can be discussed in greater detail at the Members' March 17th meeting.

--On licensing agreement:

Mr. Smith moved (seconded by Mr. Stutz) that the Chairman sign the license agreement permitting John M. Hess to operate a passenger ferry between the Vineyard and Nantucket during the summer of 1988. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

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(Members approved the grant of permission at their Nov. 19th, 1987, meeting. The Authority would receive the higher of \$100,000 or 25 percent of gross ticket sales.)

--On transporting junked vehicles from the islands:

Mr. Smith moved (seconded by Mr. Stutz) to extend the agreement whereby the Authority plays a large role in helping Dukes County and Nantucket County officials have discarded vehicles and other heavy metallic objects removed from the islands. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Dukes County Commissioner John S. Alley was present to express his board's thanks to the Authority for being so instrumental in ridding the Vineyard of eyesore abandoned vehicles.

(A report prepared by Mr. Lamson showed that, since the program began in 1985, 1,587 junked autos had been carried off Martha's Vineyard and 425 removed from Nantucket.

(Trucks hauling crushed autos, etc., if travelling on a space-available basis, are moved at no cost.)

--On health care access:

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation that management continue working with the Martha's Vineyard Health Care Access Committee (and like organizations on Nantucket) for improved movement of islanders needing medical treatment at mainland facilities and for other improved services where customers are the handicapped and elderly.

Particularly covered by the motion was the recommendation that (1) all lunchcounter areas be declared no-smoking areas and (2) the Authority will issue a special card to persons said by their physicians to be medically handicapped. (Aside from lunchcounter areas, half of all seating areas on vessels already are off-limits to smokers.) The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

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(Mr. Hoffer, the Assistant General Manager, explained that he has held lengthy meetings with the MV Health Care Access

(more)

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Committee and its leader, Dr. Jay Segel, which takes on the communications chore of making sure islanders know what to do to meet their health needs.

(The Chairman said that, at another meeting, Members can act on further management recommendations.

(Mr. Grossman pressed a health-care thought he'd expressed from time to time over the past five years: why can't the Authority have assigned to each trip--particularly on longer runs to and from Nantucket--a crew member qualified as an Emergency Medical Technician?

(He asked that management prepare a report for the March meeting on all that would be involved in staffing vessels with EMTs.)

--On legislation:

Mr. Lamson said he would be attending in early March legislative hearings on two bills filed on behalf of the Steamship Authority: one bill would raise the required bid minimum from \$1,000 to \$10,000 and the other would increase the Authority's bond authorization limit to \$35 million from the present \$25 million.

# # #

UNDER NEW BUSINESS, Mr. Stutz said he had three points he wanted noted in the record:

1: Some Vineyard homeowners who live off the island were not notified in time to take advantage of this year's early reservations policy. More time should be allowed for the mails to reach, in this instance, persons in New York and Connecticut.

2: That Tisbury Selectman Cora Medeiros wants reconsideration of this year's guaranteed standby policy.

3: That Mrs. Medeiros would like modification "of the transfer bridge here at Woods Hole to accommodate the prefabricated houses that she now has to have shipped by barge to the Vineyard." Mr. Stutz asked management to check on the cost of such modification.

# # #

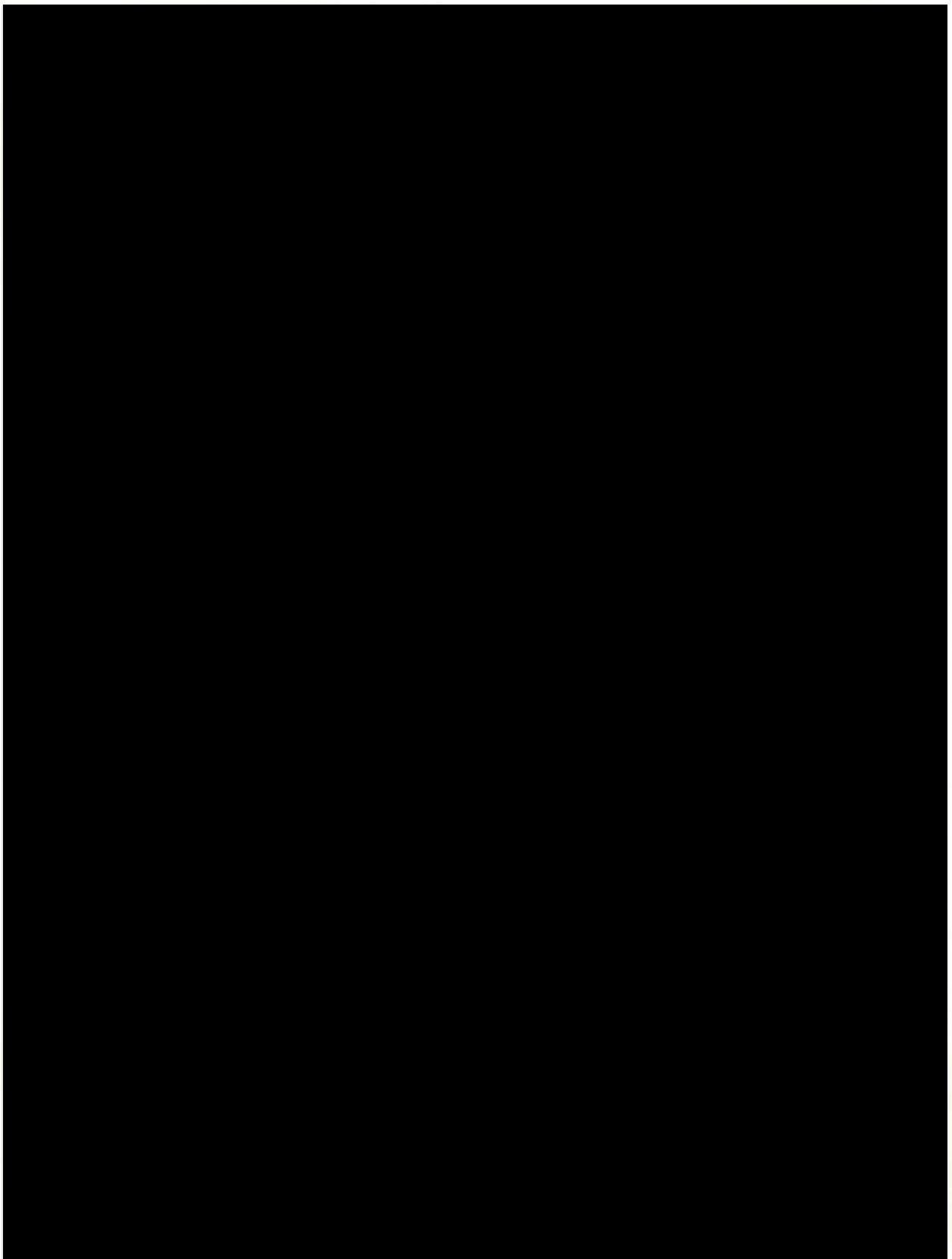
AT 12:16 p.m., after questions from newsmen were answered, Members voted unanimously to go into executive session under the provisions of Chapter 39, Section 23-B of the General Laws. A five-minutes recess was called.

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary

MINUTES:

Steamship Authority Members'  
Meeting of Jan. 21st/88  
At Woods Hole

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STEAMSHIP AUTHORITY MEMBERS' first public meeting of 1988 was held Jan. 21st, beginning at 10:30 a.m., at the Authority's headquarters building in Woods Hole with Bernard D. Grossman of Nantucket in the Chair.

Vice Chairman Robert L. Stutz and Secretary James H. Smith--Members for Dukes County and Falmouth, respectively--were present.

Of the three Financial Advisory Board members, only Robert C. Murphy of Dukes County attended. Because of adverse weather conditions, Norman F. Beach of Nantucket and William R. Andrews of Falmouth could not be present.

Management personnel present were: Acting General Manager Wayne C. Lamson; Asst. General Manager Donald L. Hoffer; Asst. Treasurer John W. Finn; Operations Director Phillip J. Parent; Maintenance Director Elvio Rodrigues; Ernest A. LaFrance, customer services director; and Ray Martin, public information officer and recording secretary to the Members.

Area newsmen were present for the public session as were Tisbury Selectmen Cora Medeiros and Suzan Custer; Ms. Ann Scriver of the Martha's Vineyard Commission; Mrs. Louise Blackhall of the Martha's Vineyard League of Women Voters; Chief Engineer William Hibbard; Richard Hammond of the Martha's Vineyard Chamber of Commerce; and Ms. Kelley Pratt and Alan Cassidy of the Falmouth Chamber of Commerce.

The public agenda:

- 1: Action on minutes of Dec. 17th, 1987 meeting
- 2: Action on bills
- 3: Action on bids
- 4: Status report on M/V Eagle
- 5: Report on M/V Nantucket reconstruction
- 6: Report of the Treasurer
  - on financing M/V Eagle's construction
  - on safe harbor leasing
- 7: Report of Acting General Manager
  - on food service improvement
  - on request for extended excursion travel from Nantucket
  - on S/S Naushon purchase and sales agreement
  - on license agreement with John M. Hess
  - on contingency plan for 1988 summer schedule
  - on preferred space policy

For discussion in executive session were real estate opportunities and a report on union negotiations.

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MR. GROSSMAN called the public meeting to order at 10:30 a.m. and Members' deliberations immediately began.

ITEM #1 (minutes): Mr. Smith moved, seconded by Mr. Stutz, acceptance of the minutes of the Dec. 17th meeting, as amended. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Mr. Grossman asked that the minutes reflect the following:

- (1: On Page 3: Concerning the tabled legal bill of Paris, Fagan, Goldrick & McManus, mention should be made that "when the case was presented to us in November (there was) a question of advice to the Authority seasonably given and it was stated that we had not received such notice."
- (2: On Page 6: While Members did vote the \$6,000 bond issuance as reported, mention should be made that Members had approved an issue not to exceed \$50,000.
- (3: On Page 8: Mention should be made that Hy-Line owners sought permission for increased sailings to Nantucket as well as to Martha's Vineyard.

Further on Page 8, Mr. Grossman asked that the word "unanimous" be deleted from the paragraph which reads: "Members unanimously adopted the 1988 schedule of summer sailings between mainland ports and Martha's Vineyard and Nantucket at their Nov. 19th meeting-- with Mr. Grossman reserving the right to question freight service.")

# # #

ITEM #2 (bills): Mr. Smith moved, seconded by Mr. Stutz, that Bruce Rafey Associates (Boston) be paid \$939.40 for their role as a labor consultant. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith then moved payment of \$13,429.42 to Carter Browne Computer Consulting Services for recent assigned work. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

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A bill for \$3,277.50 from the Falmouth legal firm of Paris, Fagan, Goldrick & McManus--tabled at the Members' December meeting--was moved for payment by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Stutz and Smith  
NAYS: None

(Mr. Grossman asked to be recorded as abstaining.)

Mr. Smith then moved payment of \$20,210.82 to Fordham & Starrett (Boston) for legal services during December. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman and Stutz  
NAYS: Mr. Smith

(Mr. Smith said his objection, going back several months, remains unchanged. This prompted deeper discussion into legal costs with Members agreeing it might now be prudent to think in terms of having in-house counsel, recognizing that certain fields of law may still have to be contracted out to independent law firms.

(Mr. Grossman said Members, individually, can converse with the Acting General Manager on the subject and reach firm decisions at a later date.)

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation that John W. Gilbert Associates (Boston) be paid \$27,536.67--less certain corrections in the billing. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The Gilbert firm designed the Authority's newest vessel, M/V Eagle. Mr. Hoffer pointed out that, in his experience, a designer's charge normally comes to about five percent of building costs. In the case of Gilbert, Mr. Hoffer said charges have been about two percent.

(Mr. Grossman said he would like to know by the February meeting whether the Gilbert firm will make some allowances for Authority expenses in remedying M/V Eagle problems that flow from design.)

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ITEM # 3 (bids): Management's recommendation to purchase nine new personal computers (IBM or compatible) for \$15,741 from the low bidder, Entre, Inc., of Boston, was moved by Mr. Smith, seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

A second recommendation--to purchase six personal computer printers from Micro Concepts of Mansfield, Mass. for \$5,994--was also moved by Mr. Smith and seconded by Mr. Stutz. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The printers would be Toshiba P-351 models. In all, 17 firms offered prices with Micro extending the lowest price.)

# # #

ITEM #4 (Status of M/V Eagle): Since the Members' prior meeting in December, it was noted that the Authority's newest vessel was performing well in Nantucket-Hyannis service, despite ice conditions, extreme cold and various minor mechanical problems that crewmen and maintenance employees have had to correct.

The Assistant General Manager and the recently appointed director of maintenance (Mr. Rodrigues) pointed out that it is not at all unusual for "bugs" to appear in a newly constructed vessel as complex as the Eagle. Most new vessels, they said, undergo weeks of "debugging" after leaving a shipyard and before going into service. The Eagle went into service within a week of arrival from the McDermott yard in Morgan City, La.

Management thanked masters and chief engineers who have brought problem areas to the attention of management.

# # #

ITEM #5 (Status of M/V Nantucket): Mr. Hoffer reported that an Authority crew delivered M/V Nantucket to the Louisiana shipyard of McDermott, Inc., nine days ago (Jan. 12th) and that some five months of restructuring and repowering is underway.

(Authority Members selected the McDermott yard on bidding information given them at their Aug. 20th, 1987, meeting for a base price of \$690,916.)

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Since the original contract was let, Mr. Hoffer said Members agreed to a range of vessel interior changes meant to enhance passenger comfort, decor and various customer services.

Mr. Hoffer said he has just learned from the shipyard that the "extras" would carry a price tag of some \$750,000 and--unfortunately--keep the vessel in the yard an additional 71 days or well into the summer months. To get M/V Nantucket back in time for the start of summer service, Mr. Hoffer said management recommends postponing the additional work until after the summer.

(Instalation of an elevator for the elderly and handicapped was part of the original contract--not an "extra". However, Mr. Hoffer said inclusion of the elevator (as originally designed) would mean a loss of nine vehicle spaces on the freight deck--a loss Members said was not acceptable. Redesigning is underway to lower that space loss.

To Mr. Grossman's question, Mr. Hoffer said he would check to see how much, if any, of the extra work can be undertaken without prolonging Nantucket's stay beyond the expected five months. Members agreed to the payment of overtime and premium pay if the economics shows an earlier return to M/V Nantucket is worth it.

Messrs. Grossman and Stutz agreed with Mr. Smith that for much of the time the vessel is at the McDermott yard, captains and chief engineers should be assigned as advisers. Mr. Smith said assigned ship's officers "should have input while the job is going on--not afterwards"--and that officers should file written reports during the drydock period.

# # #

ITEM #6 (Treasurer's report): Asst. Treasurer John W. Finn, now Acting Treasurer while Mr. Lamson serves as Acting General Manager, presented this report.

On the status of financing construction of M/V Eagle, Mr. Finn said \$7,584,228 has been paid to date--about 95 percent of the contract price. He estimated the final cost will be about \$8,650,000 or about 1.8 percent more than the original budgeted amount of \$8.5 million.

On safe harbor leasing:

Mr. Finn reported that agreement was reached on Dec. 30th with the Iowa-Illinois Investment Co. and that the Authority has received a cash payment of \$1,935,599.33.

That amount, Mr. Finn said, "represents the tax depreciation deductions available on the Eagle, the Katama and the Gay Head to a taxable entity" and "this payment represents about 18 percent of the combined costs of these vessels which total \$10,723,542.)

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Members complimented Mr. Lamson, Mr. Finn "and everybody else involved in this endeavor" for the \$1.9 million "windfall" which, as a management memorandum pointed out, would be the equivalent of \$3.9 million had the Authority borrowed \$1.9 million through bond issuance and repaid the loan over 20 years.

The \$1.9 million "windfall," said Mr. Finn, would raise the estimated 1987 net operating income to some \$4.8 million.

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ITEM #7 (Report of the Acting General Manager):

On food service improvements:

Members took no action on a management recommendation to spend some \$21,500 with a food service consulting firm--instead officials of King Neptune Caterers will be called before the Members at their February meeting to hear from the caterer on vessels (1) what he has in mind for improved service and (2) what additional facilities are needed on the vessels to permit expanded and more attractive service.

All Members agreed improvements must be made to satisfy rising complaints from travellers.

On auto excursions from Nantucket:

Mr. Smith moved (seconded by Mr. Stutz) management's recommendation to reject a request from the Nantucket Board of Selectmen to extend the one-to-eight days auto excursion rate to 14 days. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(After reviewing experience with the program, management concluded "the extended time will allow more abuse and not serve the original intent of the excursion fare for Islanders.")

On sale of S/S Naushon:

At their Dec. 17th meeting, Members voted 2-1 (Mr. Smith dissenting) to sell S/S Naushon to one Joseph Pallotta of Boston for \$150,001 plus full compensation for February scheduled drydocking and necessary repairs. Additionally, the buyer would permit the Authority continued use of the vessel until the return of M/V Nantucket from shipyard reconstruction.

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Mr. Smith moved, seconded by Mr. Stutz, that the Chairman be authorized to sign the purchase and sales agreement drafted by attorneys for the Authority and Mr. Pallotta. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

Mr. Smith also moved--seconded by Mr. Stutz--that the Chairman sign a draft license agreement permitting Mr. Pallotta to operate a high speed catamaran service from Boston to Vineyard Haven on a one-year trial basis, beginning this summer. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(Permission to operate the Boston-Vineyard Haven passenger service was voted last Oct. 1st. Mr. Pallotta had offered to pay the Authority \$100,000 for operating rights for one year.)

On another operating license--that extended to John M. Hess of West Barnstable--to carry passengers in summer between Martha's Vineyard and Nantucket, Mr. Lamson said Mr. Hess' attorney is seeking more lenient terms.

Mr. Hess had offered to pay, for one year on a trial basis, the greater amount between \$100,000 or 25 percent of gross receipts. Now, said Mr. Lamson, Mr. Hess seeks permission to pay the 25 percent of gross receipts and to eliminate the \$100,000 guarantee.

Members agreed to stay with their original decision.

On 1988 contingency summer schedule:

Mr. Smith moved management's recommended alternate partial summer schedule, devised in the event M/V Nantucket (now drydocked for extensive work) is not returned for service by June 14th, the start of the summer schedule. Mr. Stutz seconded the motion. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(The contingency plan assigns M/V Eagle to continued Hyannis-Nantucket service until M/V Nantucket is returned and continues S/S Naushon in service to the Vineyard.)

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On preferred space program:

At their Dec. 17th meeting, Members approved a policy of setting aside (during the summer schedule) 10 auto spaces on each of M/V Eagle's six round trips daily between Martha's Vineyard and Woods Hole for persons beginning their round trip from the island. This was an increase from the previous limit of 15 per day. The maximum of six preferred spaces daily from Nantucket was unchanged.

By the Dec. 17th vote, users could purchase non-refundable round trip tickets up to seven days before departure and would have up to five full days to complete their round trips.

(Dating back to the late 1970s, a policy to help islanders get to the mainland and back under last-minute conditions called for setting aside 15 car spaces on the first two early morning trips from the Vineyard and six car spaces per day from Nantucket. Such round trips had to be purchased the day before sailing and the round trip completed in one day.)

Mr. Lamson said there has been confusion as to whether or not the old one-day preferred space program had been superseded by the more liberalized program adopted in December. The assurance that the Authority will meet urgencies (built into the old program) was important to islanders who feel that guarantee has been lost with the new program, Mr. Lamson said.

As recommended by management to meet last-minute needs, Mr. Smith moved (seconded by Mr. Stutz) to integrate the two programs to a maximum of 60 preferred round trips spaces daily from the Vineyard (15 of which would be available the day before sailing) and six from Nantucket (three of which could be purchased the day before sailing) during the summer schedule. The VOTE:

AYES: Messrs. Grossman, Stutz and Smith  
NAYS: None

(During schedules other than that in effect during the summer, the number of preferred spaces from the Vineyard would reduce to 15 daily while the six from Nantucket would remain unchanged.)

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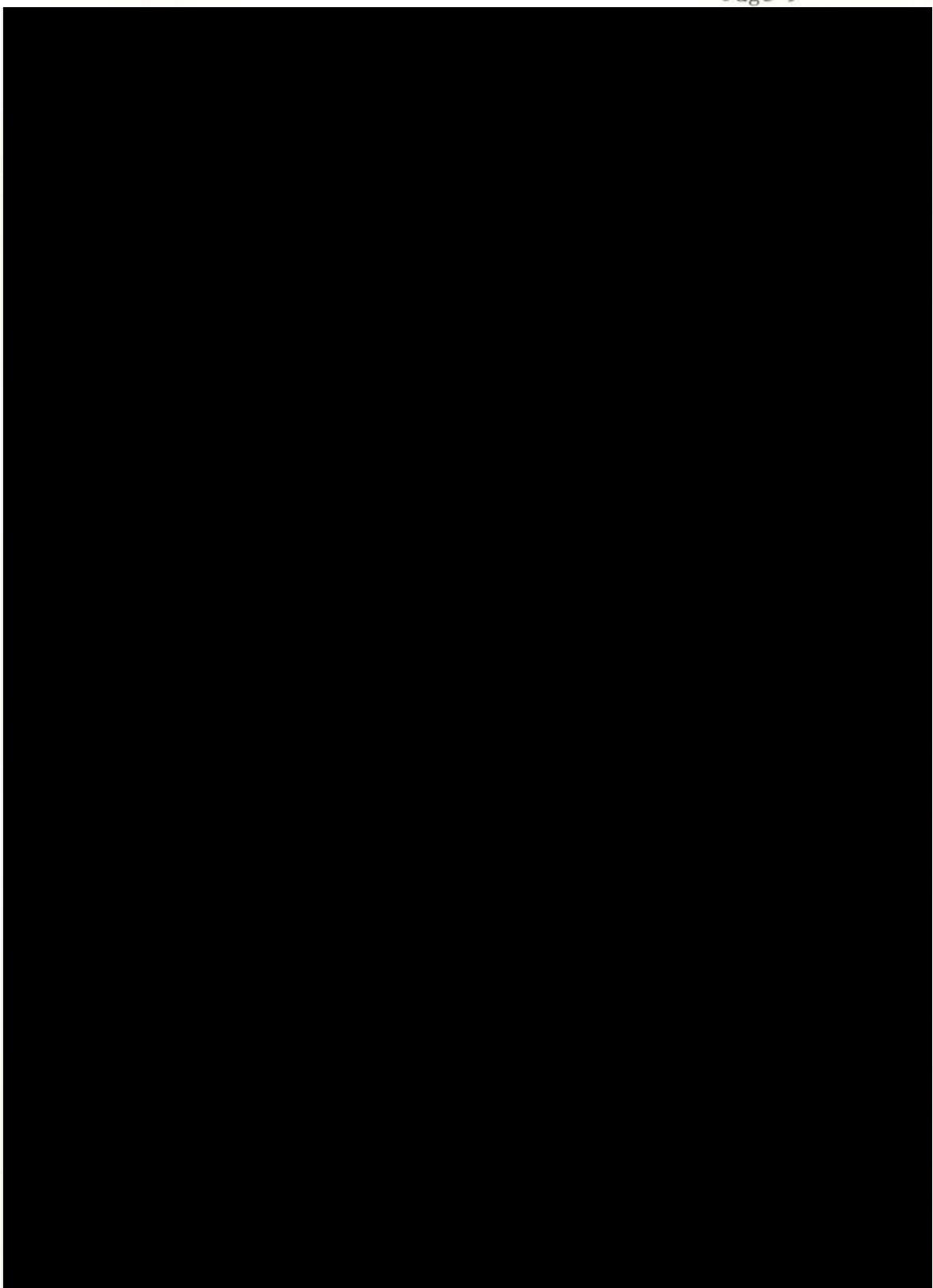
AT THIS POINT, Mr. Grossman accepted questions from newsmen and comments from elected officials and from the Financial Advisory Board.

Mr. Murphy asked if maintenance is planning work at Oak Bluffs to accommodate M/V Islander and was told work is scheduled.

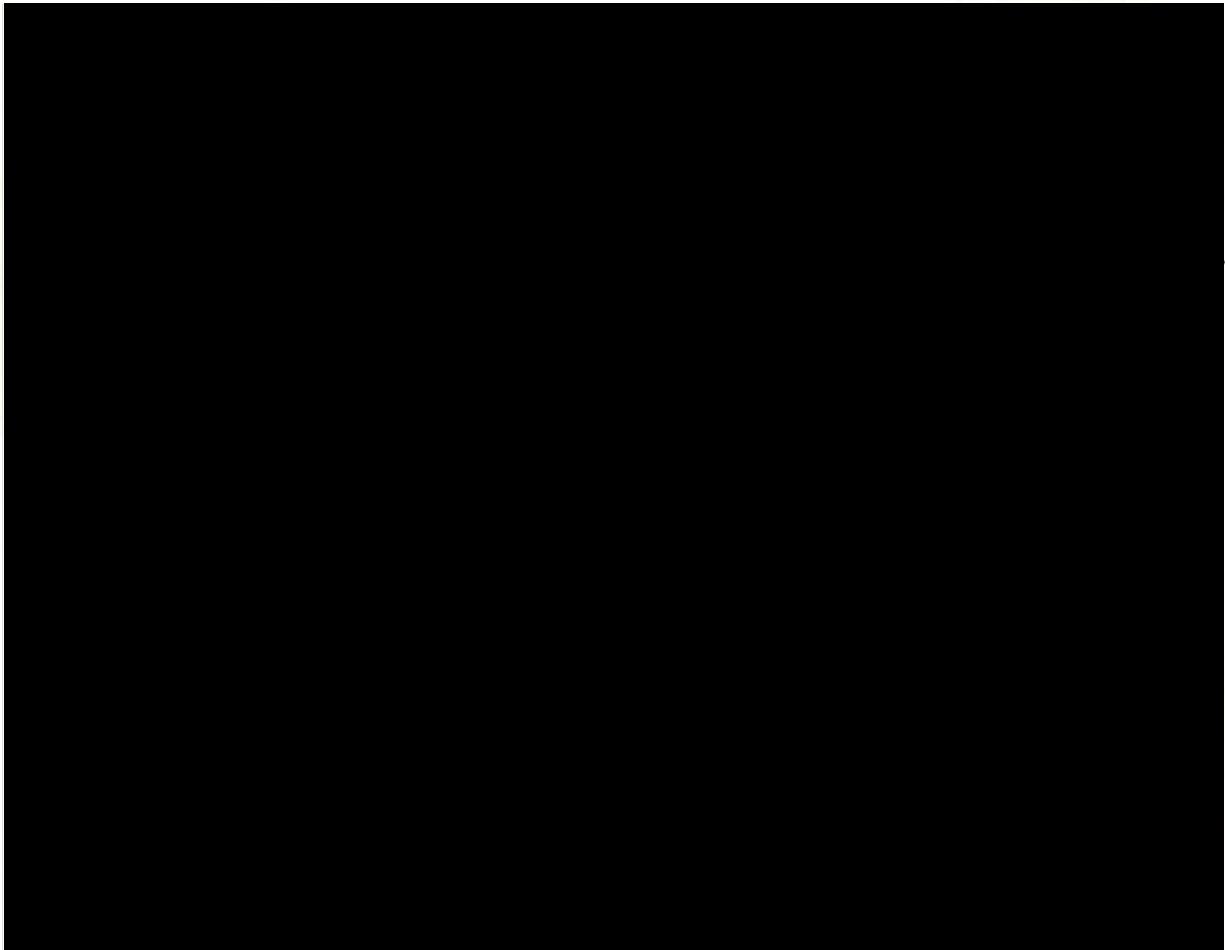
Members then, by roll call, voted to go into executive session under the provisions of Chapter 39, Section 23-B, of the General Laws to discuss labor relations and possible real estate acquisitions. The public meeting was recessed at 11:43 a.m.

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JAMES H. SMITH, Secretary

Ray Martin  
RAY MARTIN, Recording Secretary