

Minutes 1994

Meeting

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

The Meeting in Public Session

December 15, 1994

to M 12/28/94

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The Meeting in Public Session

December 15, 1994

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of December, 1994, beginning at 9:30 a.m., in the conference room of the Authority's Woods Hole Terminal at the Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Authority's Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three members of the Authority's Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

The following members of the Authority's management staff were also present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Acting Maintenance and Construction Manager James P. Swindler; Operations Manager John D. Crocker; Customer Services Manager Gina Barboza; Special Projects Manager Wesley J. Ewell; and Executive Secretary to the General Manager Maxine Horn.

Mr. Grossman opened the meeting by introducing Mr. Thomas Hale, who presented the Members with a model he had made of the M/V Martha's Vineyard. Mr. Hale stated that the model was being given to the Authority's Captains, crews, maintenance employees, shore personnel and everyone else associated with the Authority, with the appreciation of all who live on Martha's Vineyard for the fine service the Authority provides to the islands.

Election of Officers:

Mr. Grossman informed the public that, in accordance with the Authority's enabling act, Mr. Rappaport would automatically become the Authority's Chairman for the year 1995. Mr. Grossman then entertained motions for the election of the remainder of the Authority's officers for the upcoming year.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to elect William R. Andrews to be the Authority's Vice Chairman for the year 1995.

VOTING AYE: Messrs. Grossman and Rappaport
VOTING NAY: None

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to elect Bernard D. Grossman to be the Authority's Secretary for the year 1995.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Andrews -- to elect Robert L. O'Brien to be the Authority's Associate Secretary for the year 1995.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Rappaport -- to elect Wayne C. Lamson to be the Authority's Treasurer for the year 1995.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

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IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the prepared minutes of the Members' meeting in public session on November 21, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Requests for Bids:

IT WAS VOTED -- upon management's recommendation -- to award Contract No. 20-94 for the supply of processed foods for the Authority's vessel employees from January 1, 1995 through June 30, 1995 to the lowest eligible and responsible bidder for the contract, Cirelli Foods, Inc. of Brockton, Massachusetts, for the Estimated Total Contract Price of \$37,973.62.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to award Contract No. 17-94 to provide employee uniforms during the 1995 calendar year to the lowest eligible and responsible bidder for the contract, Takemmy Laundry of Vineyard Haven, Massachusetts, for the Estimated Total Contract Price of \$92,690.35.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Andrews -- to authorize the Acting General Manager to award Contract No. 18-94 for drydocking and related services for the M/V Eagle to the lowest eligible and responsible bidder after bids for the contract are opened on December 23, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Swindler informed the Members that he had sent bid packages for Contract 18-94 to nine shipyards and that only two of them, General Ship Corp. of Boston, Massachusetts, and Bethlehem Steel Co. of Baltimore, Maryland, had indicated they would not be submitting bids. Mr. Swindler said that he had not sent a bid package to Fore River Shipyard of Quincy, Massachusetts because it was not then in operation.

IT WAS VOTED -- to authorize management to issue a request for bids for two vans for the Woods Hole parking lots.

**VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None**

Mr. Lamson advised the Members that the request for bids would solicit newly built vans powered by diesel fuel, gasoline or propane, but that the specifications contained in the request would require compliance with new emission standards which were becoming effective in Massachusetts on January 1, 1995. Mr. Sayers stated that vans powered by electricity would not be solicited, since management had been informed that prototypes of electric powered vehicles had as yet been able to carry only up to three passengers.

Hyannis Terminal Reconstruction Project:

Mr. Ewell reported that the opening of bids for the Hyannis Terminal Reconstruction Project was being delayed again due to the redesign of the mooring dolphins to comply with the certificate of appropriateness recently issued by the Barnstable Historical Commission. However, Mr. Ewell stated that the drawings and specifications had been reviewed and approved by state and federal highway engineers and that bids for both the terminal building contract and the marine and site work contract would be opened on February 1, 1995.

Mr. Ewell also stated that he did not foresee any disadvantages resulting from the delay, since the sequence of work at the site could be changed without any disruption to the terminal's operations. Indeed, Mr. Ewell declared that the delay in dredging could provide the Authority with the opportunity to use an off-shore disposal site in Cape Cod Bay, which is not

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available until after July. Otherwise, the Authority would have to truck the dredging spoils through the Town of Barnstable.

Finally, Mr. Ewell informed the Members that the two fuel tanks which were located on the Dockside Restaurant property had been removed and inspected by the Barnstable Fire Department, and that there had been no leakage or contamination.

Vineyard Haven Terminal Reconstruction Project:

Mr. Ewell reported that the foundation for the new Vineyard Haven terminal building had been successfully completed before the weather turned cold, and that the building should be entirely framed, and the roof finished, before the end of January 1995. Mr. Ewell also reported that the Authority was still awaiting a price proposal from the contractor with respect to the potential change order resulting from the recent redesign process.

Mr. Ewell informed the Members that a different change order had been negotiated with the contractor which will result in the reduction of the Contract Price by approximately \$28,000. Under the original specifications, all existing subpaving on the site was to have been removed. Mr. Ewell said, however, that the subpaving was found to be in good condition and, pursuant to the change order, it will not be disturbed.

In response to a question from Mr. Andrews, Mr. Ewell stated that the design fees for the project had increased by \$92,608 from the original contract amount of \$349,500. Of that extra amount, \$22,359 was for the design of additional shelters on the pier and beach; \$10,351 was for the engineering of site utilities; \$14,476 was for additional work required by various town boards and committees; and \$45,422 was related to the recent redesign process. Mr. Ewell said that, in his opinion, those extra costs were reasonable for the work performed and noted that, prior to the redesign process, the architect had performed much additional work beyond the scope of the original contract without requesting additional fees.

At this time, Mr. Grossman mentioned that the management staff had been planning to construct a much-needed passenger shelter alongside the north slip of the Nantucket terminal since the reconstruction of that terminal in 1985. Accordingly, Mr. Grossman asked Mr. Lamson to seek final approval for the shelter.

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which is included as part of the Authority's 1995 capital budget, at the following month's meeting.

Treasurer's Report:

Mr. Lamson reported that on November 22, 1994, six bids were opened for the sale of \$2,900,000 bond anticipation notes due on April 28, 1995, and that the notes were awarded to Baybank, Boston, which submitted the lowest bid with a net interest cost of 3.9693%.

Inter-Island License Agreement:

Mr. Sayers reported that the management staff was requesting authorization to enter into a three-year license agreement with Hyannis Harbor Tours, Inc. ("Hy-Line"), pursuant to which Hy-Line would be required to provide a vessel passenger transportation service between the islands of Martha's Vineyard and Nantucket during the summer seasons of 1995, 1996 and 1997. Mr. Sayers stated that in November 1994 the Authority had issued a request for proposals from carriers interested in providing the service; but that, despite the fact that the request was advertised in five area newspapers over several weeks, only Hy-Line submitted a proposal in response to the request.

Mr. Sayers said that, under Hy-Line's proposal, it would provide essentially the same inter-island service it has provided for the past six summer seasons, although it was offering a more generous guaranteed minimum annual license fee than anything which Hy-Line has paid in the past. Mr. Sayers also advised the Members that the one-way fares to be charged for the services would be \$11.00 for adults, \$5.50 for children and \$4.50 for bicycles, and that fares for 1996 and 1997 would not increase by more than five percent per year.

In response to a question from Mr. Rappaport, Mr. Sayers stated that prior inter-island license agreements had terms of only one year, with options for one more year, because the Authority at that time did not want to enter into an agreement with a longer term. However, Mr. Sayers said that, with the sale of the M/V Uncatena last year and the decision not to acquire another vessel in the near future, the staff now considered it desirable to enter into a three-year license agreement, since the Authority could no longer provide the inter-island service itself as it had done prior to the late 1980s.

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Mr. Grossman acknowledged that the previous inter-island service provided by Hy-Line has been appreciated by both islands, and asked Mr. Lamson to provide the Members with records showing the number of passengers carried by Hy-Line over the last few years.

IT WAS VOTED -- upon Mr. Andrews' motion, seconded by Mr. Rappaport -- to authorize the Acting General Manager to enter into a License Agreement with Hyannis Harbor Tours, Inc. ("Hy-Line") in accordance with Hy-Line's proposal and the Authority's form of License Agreement attached to Staff Summary #L-171, dated December 5, 1994, pursuant to which Hy-Line will be required to provide a vessel passenger transportation service between the islands of Martha's Vineyard and Nantucket during the summer seasons of 1995, 1996 and 1997.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Tisbury Park 'n Ride System:

The Members acknowledged receiving a letter from Elizabeth B. Wild, Chairman of the Tisbury Board of Selectmen, on behalf of the All-Island Boards of Selectmen and the residents of Martha's Vineyard, expressing their heartfelt appreciation for the success shared by the Authority and the island of the Martha's Vineyard Park 'n Ride System in 1994.

In the letter, Ms. Wild stated that "[t]he partnership resulting from Tisbury providing the parking lot land and funding for the summer transit service, with the Authority providing one-time funding for construction improvements and current transit service, has been a boon to both Island resident and visitors using the ferry." Ms. Wild also informed the Members that the shuttle service would stop after the island's inaugural *First Night*, and that the island towns would be working with the Authority and the Martha's Vineyard Regional Transit Authority during the winter months to formulate plans for an improved shuttle system in 1995 as well as enhancements to the parking arrangements and other proposals.

Change to 1995 Winter Schedule:

Mr. Lamson requested authorization from the Members to change the previously approved Winter Schedule, which is effective from January 6, 1995 through March 15, 1995, as follows:

1. To add a round-trip between Woods Hole and Vineyard Haven by freight boat (the M/V Katama), departing Woods Hole at 5:30 a.m. and departing Vineyard Haven at 6:30 a.m., Mondays through Fridays, the first leg of which would be designated a hazardous cargo run;
2. To change the previously designated hazardous cargo run from Woods Hole to Vineyard Haven by freight boat (the M/V Sankaty), departing Woods Hole at 7:15 a.m., Mondays through Fridays, to a regular run carrying vehicles and passengers; and
3. To change the Woods Hole departure time of the hazardous cargo run between Woods Hole and Nantucket by freight boat (the M/V Katama) from 7:00 a.m. to 7:30 a.m., Mondays through Fridays.

Mr. Lamson stated that the change was being requested to provide early morning weekday passenger service from Woods Hole to Martha's Vineyard during the winter months. (Under the presently approved winter schedule, the first non-hazardous trip does not depart Woods Hole until 8:15 a.m., arriving at Vineyard Haven at 9:00 a.m.) Mr. Lamson said that, since Troy Tyson requested such additional early morning service at the Members' meeting the previous month, the staff had received a petition from approximately thirty commuters who have expressed their need to travel at that time. Accordingly, Mr. Lamson stated, the staff felt confident that there would be sufficient ridership on the 7:15 a.m. trip to justify providing the service and, in addition, the trip would allow the workers who will be working on the reconstruction of the Authority's Vineyard Haven terminal to arrive at the site an hour earlier.

Mr. Grossman expressed concern about having the hazardous cargo run arrive in Nantucket one-half hour later than currently scheduled, but Messrs. Murphy and Lamson assured him that the later arrival would only occur from January 6, 1995 through March 15, 1995, after which the schedule would revert back to the earlier departure and arrival times.

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IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the changes to the 1995 Winter Schedule as requested by management.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Martha's Vineyard Commission Traffic Study Committee:

Mr. Lamson reported that, in response to a request from Mr. Rappaport, he had provided the Members with a list of deadlines by which the Authority would have to make certain policy decisions in order for them to be implemented for the 1995 summer schedule. Mr. Lamson said that most of the decisions would have to be made by the Authority in January 1995 and that, indeed, it was too late to implement some of the proposed changes because brochures for the 1995 schedule had already been distributed. Nevertheless, Mr. Lamson said that he hoped the list would be helpful to the Traffic Study Committee which was being formed by the Martha's Vineyard Commission, and that the Authority would make Mr. Ewell, Ms. Barboza, Vineyard Haven Terminal Manager Robert Clark and Associate Agent Bridget Tobin available to the committee to provide whatever additional assistance it might request from the Authority.

Mr. Rappaport expressed his appreciation for the staff's commitment so to cooperate with the committee and said that he hoped the committee would move swiftly to provide the Authority with its recommendations on the various traffic issues before the Authority's next meeting in January 1995. Mr. Rappaport also assured Mr. Andrews that he would be kept advised of the committee's progress, inasmuch as the recommendations would have a possible impact on traffic in Falmouth as well as Martha's Vineyard.

Martha's Vineyard Reservations Office:

Kenneth Barwick, Chairman of the Tisbury Planning Board, was present at the meeting to discuss with the Members the concept of relocating the Authority's Martha's Vineyard Reservations Office, which is currently located at the Martha's Vineyard airport, to the off-site parking lot owned by the Town of Tisbury. However,

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at Mr. Murphy's suggestion, Mr. Barwick agreed to discuss the matter first with the Authority's management staff and to reschedule his presentation after the staff reports back to the Members on the feasibility of the proposal.

Old and New Business:

The Members noted that Daniel Flynn of Vineyard Haven, Massachusetts was present at the meeting and congratulated him on his recent election as a County Commissioner for the County of Dukes County.

Mr. Grossman then recognized John Ford, President of the Southeast Massachusetts Maritime Employees Association ("SMMEA"). Mr. Ford stated that he had come before the Members a few months previously to express concerns which SMMEA's negotiating committee had regarding their bargaining unit's contract negotiations, and that the committee still was very dissatisfied. Mr. Ford said that, on the prior Tuesday night, SMMEA's membership had considered what he characterized as the Authority's very paltry contract offer, and that unanimously they had firmly rejected it. In addition, Mr. Ford said, the membership had directed their negotiating committee to attend the Members' meeting that morning and make the Members aware of some of SMMEA's positions, since they felt the Members were being misinformed.

Specifically, Mr. Ford stated that SMMEA's membership was quite perplexed by the fact that, in the event they are injured on the job, there is no long term disability umbrella under which they are protected. Mr. Ford noted that the other two vessel bargaining units have this coverage, and he declared that the Authority was discriminating against this group by putting a premium on the welfare of the captains, the pilots and the engineers while discounting the welfare of the unlicensed men and women who contribute significantly to the Authority's operations.

Mr. Ford then stated that the Authority's management team was proposing to eliminate three job categories, namely, wipers, porters, messmen and some of the cooks, and that this proposal directly impacted the livelihood of approximately thirty members of his organization. Mr. Ford particularly objected to the Authority's proposal that microwave ovens, instead of cooks, be used for the preparation of foods on the freight boats. Mr. Ford

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declared that there are a lot of dangers in using microwave ovens, noting that the Connecticut State Police no longer use microwaves in their radar guns because they have been proven to cause testicular cancer.

According to Mr. Ford, there is inherent danger in using microwave ovens on the Authority's vessels. Mr. Ford said that when the microwaves come out of the oven, their lives are extended by bouncing back and forth on the steel bulkheads. The microwaves then cook the employees' internal organs, which are needed no matter how hungry the crew gets.

Mr. Ford stated that the Roman army maintained that the food provided to their troops had to be the best money can buy, and that Napoleon was quoted as saying, "An army travels on its stomach." In this regard, Mr. Ford declared that depriving the crews of communal meals being cooked and served by their shipmates was an act of dehumanizing the work environment, which affects the workers and tends to lead to violence.

Mr. Ford also complained that the Authority's negotiating team had refused to state whether their present economic proposal was going to be their best offer. Mr. Ford asked the Members how he was expected to convey that type of offer to SMMEA's 170 full-time permanent employees.

Mr. Ford stated that SMMEA's negotiating committee wanted to sign a contract, but the membership would not ratify any contract which contained the Authority's proposed severe manning cuts. In this regard, Mr. Ford declared that the Members were jeopardizing the safety of many human lives by assuming that their proposed reduction was going to be adequate in cases of emergency.

Mr. Ford concluded his statement by asserting that his bargaining unit members have been a very cooperative group of men and women and, indeed, was the only group of employees who has contributed to the Authority's policy-making with respect to drug testing. Mr. Ford complained that the Authority has acknowledged that important contribution by making an irrational and unacceptable offer.

Mr. Rappaport then noted that at the Members' meeting in October 1994, when Mr. Ford declared that the Authority's manning proposals would affect the safety of the vessels, the Members had indicated that they would never do anything to jeopardize safety.

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However, Mr. Rappaport reminded Mr. Ford that, during the course of that discussion, Mr. Ford had undertaken to provide the Members with a memorandum to substantiate his position, which the Members had not yet received.

Mr. Ford replied that SMMEA had not put a response in writing because, after consideration and consultation with their attorneys, they thought it would be in the best interests of good negotiations not to forward anything directly to the Members. When Messrs. Lamson and Sayers stated that they had not received any such memorandum either, Mr. Ford asked the Members whether he should make it available to the Members through the management team or whether he should provide it to both the Members and the management team at the same time. In response, Mr. Grossman said that such a decision was up to him.

Peggy Dowd, another member of SMMEA's negotiating committee and an able bodied seaman, then asked what the Authority's purpose was in proposing the elimination of thirty jobs. Mr. Lamson, however, stated that the Authority was choosing not to bargain in public over such issues, although Mr. Sayers pointed out that the Authority had always maintained that its manning proposals would not result in the elimination of any jobs for permanent employees who were working for the Authority at the time the current contract negotiations began. Rather, Mr. Sayers declared, the Authority's proposal was to gradually eliminate certain positions through attrition.

In response to a question from Eric Riddar, another able bodied seaman, Mr. Sayers stated that the Authority's manning proposals would not result in greater layoffs of permanent employees either, and that the Authority envisioned maintaining dual manning rosters to make certain that there will be no job losses for permanent employees as a result of the Authority's proposals.

When Michael James, another able bodied seaman, again questioned how the Authority was going to ensure that there would be no loss of jobs, Mr. Lamson made it clear that the Authority was proposing carrying permanent employees in the eliminated positions even though the Authority would not be required to do so under the contract. Mr. Sayers also said that, although such a course of action would be more expensive in the short run, the Authority had undertaken that obligation as a matter of fairness to its current employees.

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Dana Cusolito, another unlicensed employee, then inquired what use was going to be made of the Authority's property on Blacksmith Shop Road. In response, Mr. Grossman informed Mr. Cusolito that the property was for sale and that his proposal would be welcome if he were interested in doing something with it.

Finally, Michael Barker, a chief cook and messman, asked whether his job would be protected under the Authority's manning proposals, since he had only become a permanent employee during the third week of September 1994. Mr. Sayers responded by acknowledging that, under the Authority's current proposals, his job would not be protected and that he probably would be laid off.

IT WAS VOTED -- to go into executive session for the purposes listed on the agenda, namely, to discuss personnel matters, the search for the new General Manager, the purchase and value of real property, and strategy with respect to collective bargaining.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Mr. Grossman stated that, at the conclusion of their executive session, the Members would not reconvene in public.

A TRUE RECORD

WILLIAM R. ANDREWS, Secretary

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

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November 21, 1994

VOTING NAVY: None

VOTTING AYE: Messrs. Grossman, Rapaport and Andrews

General Manager.

IT WAS VOTED -- to go into executive session to discuss strategy with respect to collective bargaining, to consider the purchase and value of real property, and to comply with the provisions of section 1B of chapter 214 of the Massachusetts General Laws, namely, to protect the privacy rights of preliminary candidates for the position of the Authority's

General Counsel Steven M. Sayers.

Two members of the Authority's management staff were also present: Acting General Manager and Treasurer/Comptroller Wayne C. Lanson; and

Also present were two members of the Authority's Finance Advisory Board: Robert C. Murphy of Dukes County, and Paul R. Kelleher of Falmouth.

Robert L. O'Brien of Barnstable.

County; Secretaries William R. Adams of Lamont; and a Social Secretary.

CHASSMIMH OF NARHICERG VICE CHASSMIMH RONAHIT H. KRAPPEPOTI OF CHASSMIMH

Present were the wives of the Academy's members, chairman Bertrand D.

Railroad Avenue, Woods Hole, Massachusetts.

For example, in the computer-based version of the Auditory-Spelling Test, words have to be heard, read, and written.

standardizing automation, we can save 25% of the cost of a new plant, 1994, beginning in 1995.

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Mr. Grossman stated that the Members would reconvene in public session at approximately 12:30 p.m., after the conclusion of the executive session.

The Members reconvened in public session at 12:40 p.m., at which time additional members of the Authority's management staff were also present: Acting Maintenance and Construction Manager James P. Swindler; Special Projects Manager Wesley J. Ewell; Customer Services Manager Gina Barboza; and Executive Secretary to the General Manager Maxine Horn.

Mr. Grossman began the public session by asking for a moment of silence in memory of the late Stephen Halloran, a very highly regarded employee of the Authority who had unexpectedly passed away the previous week.

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IT WAS VOTED -- upon Mr. Andrews' motion, seconded by Mr. Rappaport -- to approve the prepared minutes of the Members' meeting in public session on October 27, 1994.

**VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None**

Hyannis Terminal Reconstruction Project:

Mr. Ewell reported that the Hyannis Terminal Reconstruction Project was still on hold due to the fact that the Massachusetts Highway Department had not yet issued an invitation for bids for its marine and site work contract. However, Mr. Ewell stated that the Department was in possession of the final drawings and specifications and that bids for that contract were scheduled to be opened on January 10, 1995. Bids for the Authority's terminal building contract were scheduled to be opened on January 5, 1995, but Mr. Ewell said that if the Department's scheduled bid opening were delayed, the Authority would similarly delay its bid opening so that the Members would have the bids for both contracts before them at the same time.

Mr. Ewell also reported that he, along with Messrs. O'Brien, Lamson and Sayers and David Porter of Childs Engineering Corp., had attended a hearing earlier in the month before the Barnstable Historical Commission regarding the design of the new dolphins the Authority intended to build in Hyannis Harbor. Mr. Ewell stated that the Commission had given the dolphins a certificate of appropriateness, but only after the Authority agreed to alter the shape of the concrete mass of the dolphins and to face three of the sides with vessels with wooden pilings. Mr. Ewell estimated that the total cost of the additional work would be around \$60,000 to \$65,000, assuming that the Authority separately contracts it out after the completion of the terminal reconstruction project.

Vineyard Haven Terminal Reconstruction Project:

With respect to the Vineyard Haven Terminal Reconstruction Project, Mr. Ewell reported that the Terminal Design Modification Committee had completed its design review process and that, as a result, the architect was revising 38 of the 66 contract drawings. Mr. Ewell said that he expected to receive the revised drawings by December 2, 1994, at which time he would forward them to the contractor for a price estimate if the Authority were to approve them as a change order. In this regard, Mr. Ewell stated that he did not think the design changes should lead to any increase in the construction cost. Mr. Ewell also advised the Members that, if there were no severe winter weather and no more design changes, it still was possible to finish reconstruction of the terminal by June 30, 1995.

Kenneth Barwick, Chairman of the Tisbury Planning Board, asked the Members to take no action with respect to the design changes recommended by the Committee. Mr. Barwick asked the Members instead to proceed with the original design which was bid upon and was then under construction. In response, Mr. Rappaport thanked Mr. Barwick for attending the meeting, but said that the Members had nothing to consider at that time since the proposed change order would not be prepared until the Members' next meeting in December 1994.

Proposed 1995 Operating Budget:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve management's proposed 1995 Operating Budget, as set forth in the attachment to Staff Summary #A-324, dated November 10, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In recommending the proposed 1995 operating budget, Mr. Lamson reported that the estimated operating revenues for 1995, in the amount of \$38,438,071, had been projected on the basis of actual traffic statistics for the twelve month period ending September 30, 1994 without any rate increases. 1995 operating expenses were expected to total \$34,561,124, representing a 3.1% increase over the estimate for 1994 and leaving an expected operating income of \$1,756,600. Mr. Lamson also said that a sufficient amount of cash will be deposited to the Sinking Fund during 1995 to meet the interest payments due September 1, 1995 and March 1, 1996, as well as the estimated bond principal payment of \$2,250,000 which is also due on March 1, 1996.

Mr. Murphy stated that the Finance Advisory Board had reviewed the proposed 1995 operating budget and concurred with Mr. Lamson's recommendation that it be approved by the Members.

Proposed Note Resolution:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to adopt management's proposed Note Resolution, as set forth in the attachment to Staff Summary #A-325, dated November 14, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In recommending the adoption of the proposed Note Resolution, Mr. Lamson advised the Members that it would authorize the Treasurer to issue and sell \$2,900,000 Bond Anticipation Notes on a competitive basis for the purpose of refunding the current notes that are payable on November 30, 1994. Mr. Lamson stated that the bids for the notes were scheduled to be opened the following day.

In response to a question from Mr. Grossman, Mr. Lamson stated that it was necessary to roll over the notes because at that time there were insufficient funds in the Bond Redemption Account to pay off the entire \$2,900,000 balance of the notes which were then outstanding.

Friends of NOBSKA, Inc.:

At the Authority's last meeting on October 27, 1994, David Pritchard, President and Chief Executive Officer of the Friends of NOBSKA, Inc., had requested the Members to grant his organization a license so that they could operate the Steamship Nobska between New Bedford and Nantucket by way of Martha's Vineyard. As Mr. Sayers recounted to the Members, Mr. Pritchard had publicly declared that the Nobska would have to be scrapped within the next five to seven months unless his organization could qualify for federal and state funds to preserve her and, further, that his organization could not qualify for such funds unless the Authority granted it a license to operate the Nobska on an officially designated route.

Mr. Sayers acknowledged that the Members were sympathetic to Mr. Pritchard's request. However, he stated that the management staff had serious concerns about whether the Authority could responsibly enter into a long-term commitment to allow the Nobska to use the Authority's dockage facilities on Martha's Vineyard and Nantucket. In addition, Mr. Sayers stated, the objections raised at the last meeting by Murray Scudder, Vice President of Hyannis Harbor Tours, Inc., regarding the potential adverse impact that any license would have on other ferries to the islands deserved further study by the staff before the staff could make any recommendation as to whether the Nobska should receive a license to operate between New Bedford and Martha's Vineyard.

Nevertheless, Mr. Sayers said, the staff was recommending that the Members approve a license for the Nobska pursuant to which the vessel would be permitted to provide one round trip per day directly between New Bedford and Nantucket during the summer seasons of the years 1997 through 2009. Mr. Sayers advised the Members that Mr. Pritchard had informed him that such a license would allow the Friends of NOBSKA, Inc. to qualify for state and federal funds. It also would not foreclose the parties from agreeing in the future to allow the Nobska to provide service to Martha's Vineyard or use the

Authority's facilities. However, Mr. Sayers stated that he did not feel it would be prudent to agree to such matters at this time.

Mr. Sayers also advised the Members that the proposed License Agreement would apply only to the Nobska and would not be assignable to any other vessel. Further, the license could be terminated by the Authority in the event the Friends of NOBSKA, Inc. were to lose its status as a non-profit corporation, or if the Nobska were to lose its status on the National Registry of Historic Places, or if the Nobska were no longer powered by a steam engine. Finally, Mr. Sayers said that management was recommending that the Friends of NOBSKA, Inc. only be required to pay the Authority \$1.00 for the license.

Mr. Pritchard acknowledged that the proposed License Agreement would give the Friends of NOBSKA, Inc. what it needed at that point in time. However, he still urged the Members to give serious consideration to allowing the Nobska to land on Martha's Vineyard as well. Mr. Pritchard stated that business considerations will dictate that the Nobska provide service to the Vineyard at some point in any event, and a long-term delay in granting a license for that route would make it difficult to raise funds. Mr. Pritchard stated that a route between New Bedford and Martha's Vineyard was much more viable, since many people who would enjoy a sea voyage of two hours to the Vineyard would not like a four hour voyage to Nantucket.

Mr. Pritchard also said that he understood the concerns that had been raised regarding the potential adverse impact such a license to Martha's Vineyard would have on the "grandfathered" ferries, but that he felt the Nobska would attract an altogether different audience. Further, Mr. Pritchard stated, the number of passengers travelling between New Bedford and Martha's Vineyard was going to continue to increase beyond the capacity of the existing carrier.¹ He said that the Nobska, which will not be running until three years from now at the earliest, would simply operate as a "relief valve."

Henry Horn, General Counsel for Cape Island Express Lines, Inc., objected to any license which would allow the Nobska to provide service between New Bedford and Martha's Vineyard. Mr. Horn noted that, after the Authority ceased all business activity in New Bedford in the early 1960s, there was no service to Martha's Vineyard from that city for twelve years. In 1972, however, Cape Island Express Lines began providing the service with private vessels and funds. Mr. Horn declared that while the operation might now be successful, it was very difficult for the first ten to fifteen years.

Mr. Horn also disagreed with Mr. Pritchard's statements that the Nobska would not attract passengers who would otherwise ride the Schiamonchi to Martha's Vineyard. Noting that the Nobska will have a capacity of 1,200 passengers, Mr. Horn stated that the current ridership on the route was far below that number, and he doubted that tourism would ever increase to that extent.

Mr. Horn also made it very clear that he was not opposed to the rehabilitation of the Nobska or to competition in general. However, he objected to the advantage the Friends of NOBSKA would have as a public corporation with federal and state subsidies. Mr. Horn said that Cape Island Express Lines would be willing to compete with another carrier, as long as it was in a fairly equal manner.

In response, Mr. Pritchard declared that his organization would not receive any subsidies in connection with its operation of the Nobska, which will be far more expensive to run than a modern vessel. Mr. Pritchard stated that all of the federal funds would be allocated for enhancement and historic preservation, and that after reconstruction of the vessel, his organization would be operating under its own steam.

Mr. Scudder stated that he did not welcome competition in any form. He said that he felt that the "grandfathered" carriers, in return for being statutorily restricted from providing more service, should not have to look over their shoulders at someone else competing against them.

Mr. Grossman suggested that the Members should defer any consideration of a license for the Nobska between New Bedford and Martha's Vineyard until the organization raises \$4,000,000 in firm pledges or cash, which is approximately one-half of what Mr. Pritchard had estimated it will cost to get the vessel back in operation. However, Mr. Pritchard objected to that suggestion, stating that it could be a long struggle before that amount of money is raised. Mr. Pritchard said that none of the federal funds would even be received before October 1995.

Tisbury Selectman Elizabeth Wild then informed the Members that the All-Island Selectmen had voted unanimously to support the Nobska and its request for a license to run between New Bedford Nantucket by way of Martha's Vineyard. Ms. Wild declared that the selectmen did not feel the Nobska

represented any competition to the other existing carriers, since it would not be an efficient means of transportation. Rather, Ms. Wild stated, the Nobska will be a floating museum.

Ultimately, at Mr. Rappaport's suggestion, the Members decided to approve management's recommendation, but requested the staff to have a continuing dialogue with Mr. Pritchard and other interested parties about licensing the Nobska to provide service to Martha's Vineyard as well, and to come back to the Members in two months or so with more information on this subject.

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve a License Agreement with the Friends of NOBSKA, Inc., in the form attached to Staff Summary #L-170, dated November 14, 1994, and to authorize the Acting General Manager to take all necessary and appropriate actions to fulfill the Authority's obligations under that agreement.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

The "Headstart" Reservations Program:

Ms. Barboza then reviewed the changes that had been implemented with respect to the Authority's "Headstart" reservations program for 1995. In sum, Ms. Barboza advised the Members that beginning on January 21, 1995, island taxpayers and voters will be able to make five round trip reservations per household, either in person on the islands or by mail. Then, beginning on January 25, 1995, the general public will be able to make ten round trip reservations at a time in person on the islands, or twenty round trip reservations at a time by mail. Telephone requests for reservations will not be accepted until February 6, 1995.

Mr. Rappaport asked Mr. Lamson if he could present the Members at their next meeting with some suggestions on how the seventh vessel should be used during the 1995 summer season. One possibility raised by Mr. Rappaport was to limit the use of the seventh vessel to vehicles of passengers who have reservations on the island for five days or more.

1995 Meeting Schedule:

The Members then approved a schedule for their 1995 monthly meetings. All of the meetings were scheduled for the third Thursday of each month, except, at Mr. Lamson's request, the Members rescheduled the meeting for the month of March from March 16, 1995 to March 30, 1995. Also, all of the meetings were scheduled to be held in the Woods Hole conference room, except for the months of June through August, when the meetings are to be held at Martha's Vineyard, Nantucket and Barnstable, respectively.

Old and New Business:

Frank Shephard stated that both the Citizens for Sound Planning and the Falmouth Historical Society were very much in favor of including Martha's Vineyard on the licensed route for the Nobska. Mr. Shephard said that, due to the continuing increase in traffic to the island, another vessel will eventually be required anyway, and he would prefer that it not operate out of Woods Hole.

Troy Tyson, a regular commuter on the 7:15 a.m. boat to Martha's Vineyard, requested the Members not to eliminate that early morning trip during the upcoming Winter schedule. Alternatively, Mr. Tyson asked whether the Authority would be willing to license another carrier to provide early morning service for more than forty passengers during that time period.

Then, at approximately 2:00 p.m., the public session of the meeting ended.

A TRUE RECORD



WILLIAM R. ANDREWS, Secretary

MINUTES

Steamship Authority

Public Meeting

October 27, 1994

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PUBLIC MEETING

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STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:30 a.m., in the conference room of the Authority's General Offices, which are located at the Authority's Woods Hole Terminal, Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; Personnel Manager Phillip J. Parent; Acting Maintenance and Construction Manager James P. Swindler; Special Projects Manager Wesley J. Ewell; and Executive Secretary to the General Manager Maxine Horn.

Mr. Grossman opened the meeting by recognizing a number of Authority employees in attendance and asked whether they had a spokesman who would like to say something. In response, John Ford, President of the Southeastern Massachusetts Maritime Employees Association ("SMMEA"), the collective bargaining representative of the Authority's unlicensed vessel employees, stated that the unlicensed vessel employees remained unsatisfied with the most recent offer made by the Authority's management after six negotiation sessions. Mr. Ford also said that the Authority's management had put forward many negative proposals which he felt jeopardized the safety of passengers, crews and the vessels themselves, and that SMMEA's membership would not accept the Authority's manning proposal as it was then presented.

The Members stressed that the Authority would never do anything to jeopardize the safety of either its employees or its passengers, and asked Mr. Ford what his specific concerns were. In response, Mr. Ford stated that the employees' principal complaint was management's manning proposal, which he said represented a 25% reduction in forces. When Mr. Grossman stated that he did not believe that the Authority was proposing a 25% staff reduction, Mr. Ford offered to provide the Members with a written memorandum containing further information on the subject.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the minutes of the Members' meeting in public session on September 22, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Requests for Bids:

Mr. Lamson reported that the Authority had issued a request for bids for providing drydocking and overhaul services for the M/V Martha's Vineyard (Contract No. 12-94), but that no bids were received in response to the request. Therefore, since the purpose of the drydocking was to conduct the Authority's warranty inspection of the vessel prior to making final payment on the construction contract, the management staff now planned to conduct the inspection by using divers and video cameras while the vessel remained in Slip No. 3 in Woods Hole. Mr. Lamson also stated that it appeared that in the future the Authority would probably need to look at shipyards as far south as the Norfolk, Virginia area for routine drydocking work.

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to award Contract 14-94 for dolphin and fender repair at the Authority's Woods Hole and Hyannis terminals to the lowest eligible and responsible bidder, AGM Marine Contractors, Inc., in the amount of \$56,338.00

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to confirm the award of Contract 15-94 for the replacement of the Oak Bluffs northeast corner dolphin to the lowest eligible and responsible bidder, Grand Banks Marine Corporation, in the amount of \$273,000.00

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

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Hyannis Terminal Reconstruction Project:

Mr. Ewell reported that the invitation for bids had been issued for the Hyannis terminal building contract, and that a pre-bid conference was scheduled for the following day. However, because the Massachusetts Highways Department still had not issued its invitation for bids for the marine and site work contract, the Authority probably would delay the opening of bids until early January 1995 to ensure that bids for both contracts are opened at the same time.

Mr. Ewell also reported that the Dockside Restaurant had been closed and that preparations were underway to move it from the Authority's property within the next few days. In addition, the underground fuel tanks on the site were scheduled to be removed within the following month.

Mr. Ewell stated that the Authority soon expected to receive the required Chapter 91, U.S. Army Corps of Engineers and Coastal Zone Consistency permits for the project. However, pending before the Barnstable Town Council next week was a proposed ordinance which was seeking to make the design of dolphins in Hyannis Harbor also subject to the jurisdiction of the Barnstable Historical Commission.

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- to approve EARTH TECH's requested Change Order No. 18, with the exception of Task 2.1 (pertaining to the waterline service) and Task 2.5.3 (pertaining to the South Street Cul-de-Sac), in the amount of \$43,300.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Vineyard Haven Terminal Reconstruction Project:

Mr. Ewell reported that the previous day the Authority had issued a Notice to Proceed to the Contractor. As a result, Mr. Ewell said, the Contractor's required completion date was August 7, 1995, although the management staff probably would be recommending to the Members within the next month or so that a financial incentive be offered to the Contractor to complete the project earlier, by June 30, 1995.

Mr. Ewell also reported that the Authority had reached an agreement with the Tisbury board of health regarding the terminal's septic system. In this regard, independent engineers had confirmed that the system, which had been designed to handle more than three times the sewage flow it is expected to handle when the new terminal is built, was still serving its purpose even though it did not meet Title 5 requirements. Mr. Ewell said that, under the agreement, the Authority will install a second monitoring well on the property and report the results of water quality tests four times a year to the board of health. The Authority also will file with the board a design of a back-up system, which would be put into effect if the current system fails. Finally, the Authority agreed to tie the system into the proposed town sewer once the sewer is installed in three to five years.

Mr. Ewell also reported that demolition and removal of the buildings on the site of the new terminal building had been completed and that the Contractor was beginning to pour concrete for the building's foundation. Mr. Ewell also stated that the Contractor had agreed to a change order reducing the Contract Price by approximately \$13,000 as a result of the Authority's donation to the Town of Tisbury of all of the existing buildings (except the Bethel) on the site.

Mr. Rappaport then informed the other Members that he had selected a committee, comprised of Martha's Vineyard residents, Tisbury officials and Mr. Ewell, to consider possible modifications to exterior design elements of the proposed terminal building. Mr. Rappaport stated, however, that no such modifications would be made without the Members' approval and, further, that the committee would not recommend any modifications unless eighty percent of the committee members agreed on them and they would neither delay construction nor result in any significant additional cost.

Treasurer's Report:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to engage Deloitte & Touche to perform the audit of the Authority's 1994 financial statements and the so-called A-128 audit for a combined fee of \$45,000, as set forth in Staff Summary #A-322.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

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1995 Proposed Capital Budget:

Mr. Lamson reported that the staff was proposing seventeen new capital projects in 1995 for the Members' approval and that small capital projects under \$10,000 be authorized by the General Manager without the need for approval by the Members. In addition, following one of recommendations made by McKinsey and Company, Inc., Mr. Lamson stated that the staff was proposing that the Members no longer separately approve individual projects after the capital budget as a whole was approved, with the understanding that the award of contracts over \$10,000 would still require a subsequent vote by the Members prior to the actual commitment of any funds. Mr. Lamson stated that the staff had reviewed each of the proposed capital projects with the Finance Advisory Board and that the proposed capital budget reflected the recommendation of both Mr. Lamson and the Board.

Both Mr. Kelleher and Mr. Andrews objected to the staff's proposed long-range capital program on the grounds that construction of a new administrative office building was not proposed until the year 2000. Similarly, Mr. Rappaport expressed concern about another aspect of the long-range capital program, namely, the proposed construction of a replacement vessel for the M/V Islander in 1998. However, the Members agreed that their approval of the 1995 Capital Budget itself would not be construed as approving the long-range program, which in their view merited separate discussion at a later meeting after they received further details about the program from the staff.

With respect to the 1995 Capital Budget, Mr. Kelleher questioned the proposed purchase of two diesel-powered parking lot vans, since the noise and smell of diesel engines might be detrimental to abutters and users of the bike path. Mr. Andrews agreed with Mr. Kelleher's concern, and asked the staff to provide the Members with more information on that proposed expenditure before it is approved by the Members. Similarly, the Members asked for more information on the proposed automated attendant/voice mail system before considering that project for approval.

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the 1995 Capital Budget as proposed in Staff Summary #A-323, with the exception of the parking lot vans and the automated attendant/voice mail system, which items will be

reconsidered at another meeting after more information is provided on those proposed expenditures.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Freedom Cruise Line:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- to defer consideration of a request from Alan M. McMullen, d/b/a Freedom Cruise Line, to increase the passenger capacity of its vessel Freedom to its U.S. Coast Guard approved capacity of 103 passengers on its regular ferry route between Harwichport and Nantucket, pending adoption by the Authority of a comprehensive licensing policy.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Steamship Nobska:

David G. Pritchard, President and Chief Executive Officer of the Friends of NOBSKA, Inc., then requested the Members to consider granting a license to his organization so that they could operate the Steamship Nobska between New Bedford and Nantucket by way of Martha's Vineyard. In support of his request, Mr. Pritchard stated that, although the Nobska was America's last coastal steamboat and had been recognized as a national historic landmark, she was in great danger of being scrapped within the next three to five months due to her deteriorating physical condition. According to Mr. Pritchard, her only hope was for the Friends of NOBSKA, Inc. to qualify for federal and state funds earmarked for historic preservation, but in order to do so the vessel needed to be licensed by the Authority to provide service on an officially designated route. Mr. Pritchard stated that, without such a license, his organization would not qualify for any federal funds.

With respect to the requested license, Mr. Pritchard said that the Nobska would not be ready to operate until the Spring of 1997 at the earliest and, more realistically, the Spring of 1998. The vessel's passenger capacity would be limited to 1,200 and she would not carry any automobiles or freight. In addition, the operation of the Nobska would meet all federal, state and local requirements, including those imposed by the Americans

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with Disabilities Act. Mr. Pritchard said that the issues that remained to be negotiated included the amount of fees to be paid to the Authority, the conditions under which the Nobska would be permitted to use the Authority's dockage facilities, and the details of the Nobska's schedule. With respect to the Nobska's schedule, Mr. Pritchard stated that he expected the Nobska to make the daily round-trip between New Bedford and Nantucket, with a proposed stop-over at Oak Bluffs, within twelve hours.

Thomas Hale, a trustee of Friends of NOBSKA, Inc. and former assistant curator at Mystic Seaport, also requested that the Members approve the license request at least in principle. Mr. Hale declared that the Nobska, as the last of thousands of coastal steamers, was a significant vessel which deserved preservation.

In response, Mr. Grossman stated that he personally had many fond memories of the Nobska and was very sympathetic with the idea of bringing her back. However, Mr. Grossman expressed concerns about the proposed use of the Authority's dockage facilities on both Martha's Vineyard and Nantucket by the vessel, stating that he felt it would not be responsible for the Authority to enter into such a long-term commitment at this time.

Murray Scudder, Vice President of Operations for Hyannis Harbor Tours, Inc., also expressed his concern about how the requested license would affect the already existing "grand-fathered" passenger vessel services and the licensed passenger vessel service between the islands of Nantucket and Martha's Vineyard. Accordingly, Mr. Scudder asked the Members not to approve the license until there was more dialogue on these issues. Mr. O'Brien shared Mr. Scudder's concerns and stated that he felt the Authority had a responsibility to ensure that any requested license not damage the ability of the "grand-fathered" services to continue in a healthy business fashion.

After leaving the conference room to inquire by telephone whether his organization needed a written license agreement or simply a letter of intent from the Authority in order to qualify for state and federal funds, Mr. Pritchard advised the Members that all he needed was an acknowledgment by the Authority that the Nobska would indeed be granted a route. The Members felt, however, that there were too many outstanding issues to vote on any license at that time and, at Mr. Rappaport's suggestion, asked Mr. Pritchard to negotiate a proposed license agreement with the Authority's staff so that the Members would have a specific document to discuss and vote upon at a future meeting.

Tisbury Park 'n Ride Shuttle Operation:

Mr. Lamson reported to the Members that the Town of Tisbury had asked the Authority to continue funding its Park 'n Ride shuttle operation between the Town's off-site parking lot and the Authority's Vineyard Haven terminal for the period from November 1, 1994 through June 3, 1995. The estimated cost of the operation during this period was \$46,155, and the Town was requesting that the Authority fund the entire cost by (1) allowing the Town to use the remaining balance of \$13,000 in funds previously contributed by the Authority for the construction of the off-site parking lot and (2) making an additional contribution of \$33,155. Mr. Lamson recommended that the Members vote to approve the Town's request with the condition that a certain minimum level of usage be maintained, on a weekly basis, in order to justify the shuttle's continued operation.

Mr. Rappaport stated that he generally was in favor of the request because he felt the shuttle operation was in the public good and that the Authority had an obligation to participate in finding a solution to the parking situation in Vineyard Haven. Mr. Murphy, however, was opposed to the request, stating that when the Members agreed to fund the construction of the off-site lot, they never expected the Authority to continue funding the shuttle operation, especially since the Authority has no control over the operation and derives no revenue from it. In these circumstances, Mr. Murphy stated that he felt contributing to the operation would be outside the scope of the Authority's enabling act. Mr. Grossman also was troubled over the fact that the Authority derived no revenue from the Tisbury parking lot, noting that the parking fees which the Authority collects in Falmouth pays for the entire shuttle bus service on the mainland, including its maintenance.

In support of the request, Elizabeth Wild, Chairman of the Tisbury Board of Selectmen, told the Members that the shuttle operation was fast becoming a popular and very effective transportation service which was helping to alleviate traffic congestion in Vineyard Haven. In addition, Ms. Wild stated that the Town's construction of the parking lot helped the Authority avoid a proposed \$500,000 expenditure for its own lot on the island. Kenneth Barwick, Chairman of the Tisbury Planning Board, also mentioned the possibility of relocating the Authority's current Vineyard Haven terminal ticket office to the off-site lot and using that building for advanced reservations, ticket sales and baggage claim pick-up.

Douglas Ewing, Administrator of the Martha's Vineyard Transit Authority, reported that the usage of the lot by Authority patrons had increased dramatically within the past month or so. For example, in October 1994, a survey indicated that 86% of the parking lot users were going on board the ferry and, if it were not for the lot, the majority would have parked their cars in Vineyard Haven. While Mr. Ewing conceded that the ridership figures were somewhat low, he stated that they were still very encouraging in light of the fact that the shuttle was only a start-up operation.

Ted Morgan, Chairman of the Edgartown Board of Selectmen, also spoke in favor of the request, reporting that it had been unanimously supported by the All-Island Selectmen's Association as well. Tisbury Selectmen Tristam Israel also stated that he felt the operation would benefit Falmouth, since islanders would be less likely to use their cars when going to the mainland, knowing that they will have a place to park and can ride a shuttle back and forth to the Vineyard Haven terminal.

In response to a question from Mr. Rappaport, Mr. Barwick stated that the Town did not expect the shuttle operation to be permanently funded by the Authority. Instead, the Town was looking at several funding sources and hoped that the Authority would be only one of many participants in its funding. Mr. Morgan also expressed his optimism that all of the island's towns would financially support the operation together with the Authority.

After hearing these comments from island officials, Mr. O'Brien stated that he supported funding the shuttle operation, but only through December 1994. Mr. Rappaport declared that he similarly supported funding the operation, since this past year's major political issue was the effect that the growth in traffic was having on the quality of life, not only on the islands but throughout the region. Mr. Rappaport also noted that all of the proposed solutions to the problem included some sort of off-site parking facility, and said that the Authority should not abandon this one, which has been at least partially successful.

However, Mr. Rappaport stated that he continued to be concerned that the Town did not yet have a permanent funding source for the shuttle operation. Accordingly, he felt that, until that issue was resolved, the Authority should only contribute the \$13,000 balance of the funds which the Authority had appropriated earlier this year for the construction of the parking lot.

Mr. Kelleher concurred with Mr. Murphy's previous comments, stating that he was not in favor of the Authority making any contribution to the shuttle operation at all. Mr. Grossman also questioned whether it would be legal for the Authority to subsidize the operation, since he felt it was somewhat extraneous to the Authority's service.

In response, Mr. Rappaport noted that a significant portion of the users of the shuttle operation were Authority patrons and, therefore, that its continued funding would result in a direct and tangible benefit for the Authority. Similarly, Mr. Lamson assured Mr. Grossman that both he and the Authority's General Counsel, Steven Sayers, supported the request. Mr. Lamson also stated that it appeared that the \$13,000 balance of funds which were previously allocated for the construction of the parking lot would be sufficient to keep the shuttle service operating through the end of the year.

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to allow the Town of Tisbury to use the remaining \$13,000 balance of the funds previously contributed by the Authority for the construction of the Town's off-site parking lot for the purpose of funding the Park 'n Ride shuttle operation between that parking lot and the Authority's Vineyard Haven terminal.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Rappaport also asked that the towns on Martha's Vineyard, as well as the All-Island Selectmen's Association, take a position as to whether they will support the shuttle operation on an ongoing basis, because he did not believe that the Authority had the responsibility to do so itself.

Vineyard Haven Terminal Reconstruction Project:

Ms. Wild, as Chairman of the Tisbury Board of Selectmen, then made the following statement to the Members:

"The Tisbury Board of Selectmen endorse the reconstruction of the SSA ferry terminal in Vineyard Haven. The existing terminal has been inadequate for an extremely long time. It does not now nor has it in the past ten years met the daily space needs of the Vineyard community. The current layout and the flow

of traffic is a public safety issue for Tisbury. The new terminal will not attract or invite more visitors, but will allow the Vineyard people adequate waiting space and improved public safety, thereby alleviating some of the burden on our police department. From an architectural point of view, not everyone is pleased with the proposed new building. During the design phase of this project there were well attended public meetings from which much of the final design came. If at this late hour positive architectural changes can be made that do not increase the cost of this project, we have complete confidence that Mr. Rappaport and his colleagues will be attentive to them. We, the Board of Selectmen, endorse this project to go forward without hesitation."

Mr. Morgan, Chairman of the Edgartown Board of Selectmen, similarly asked the Members to go ahead and build the new terminal building, and to not allow changes in the design to delay its construction. Mr. Morgan stated that the process had been followed, that the Authority knew what its space needs were, and that people had been given plenty of opportunity to express whatever concerns they may have about the project.

American Express Company:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- not to accept the American Express Card.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Lamson stated that, although the management staff was recommending that the Members accept the most recent proposal submitted by the American Express Company, dated October 20, 1994, the Authority had not lost any business as a result of not accepting the card.

Martha's Vineyard Traffic Study:

Mr. Lamson then requested the Members to approve once again a contribution of up to \$30,000 to partially fund a proposed traffic study by the Martha's Vineyard Commission. Mr. Lamson noted that the Members had authorized this expenditure at their April 21, 1994 meeting, but that they had voted at their

May 19, 1994 meeting to suspend any funding for this purpose in order to contribute up to \$49,482 towards the construction of an off-site parking lot in Tisbury. Mr. Lamson recommended that the Authority now proceed with the previously authorized funding on the same conditions as before, namely that:

- (a) The study has to be structure and conducted in such a manner to involve the appropriate officials of the Town of Falmouth so that benefits will be realized from the study for both communities;
- (b) Work on the study has to be coordinated with, and approved by, Mr. Ewell before any payment is made by the Authority; and
- (c) The cost of the study will be charged to the Martha's Vineyard service instead of being charged to the Authority's general overhead.

Mr. Rappaport stated that he once again supported making the contribution because it would help the Authority develop a plan for handling any growth in traffic. Susan Shephard, of the Citizens for Sound Planning, also stated that the initiative was very much supported by the citizens of Falmouth.

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to proceed with the previously approved partial funding of a proposed traffic study by the Martha's Vineyard Commission, up to \$30,000, on the same conditions as voted by the Members on April 21, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Old and New Business:

Mr. Walter Johnson of Nantucket asked the Members whether there could be a slight change in the tariffs to accommodate his small construction business. Mr. Johnson stated that when he travels with a tag-along trailer attached to his small truck, he is charged a higher rate than other, larger trucks which takes up the same amount of combined space. In response, Mr. Lamson advised the Members that he was looking into the situation.

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Mr. Lamson also advised the Members that an attorney for Mr. Paul Drouin, who owns property on Pleasant Street in Hyannis, had written Barnstable Town Manager Warren Rutherford complaining that a retaining wall running along Pleasant Street in front of Mr. Drouin's property needed to be repaired and asserting that heavily laden trucks proceeding to and from the Authority's Hyannis terminal were the cause of the wall's deterioration. However, Mr. Lamson stated that he did not believe the trucks were causing the problem, since they used Pleasant Street only when they were exiting the terminal and were usually empty at that time. Mr. O'Brien agreed, stating that Pleasant Street had been open to the public for a number of years, and records indicated that the last time work was done on the retaining wall was in 1925. Mr. O'Brien also noted that Pleasant Street was used not only by vehicles leaving the Authority's terminal, but also by trucks and other vehicles going back and forth to other locations on Pleasant Street, most notably Baxters. Therefore, Mr. O'Brien declared that, based upon his knowledge of the situation at that time, he frankly did not see that the Authority bore any responsibility for the retaining wall's condition.

With respect to a letter dated October 27, 1994 from the Finance Advisory Board to the Members, Mr. Lamson stated that he would ask Mr. Sayers to provide the Members with his legal opinion as to whether the Authority's annual contributions to local hospitals is a legally appropriate use of the Authority's funds.

Mr. O'Brien advised the Members that a public hearing had been scheduled for November 3, 1994 before the Barnstable Town Council on a proposed ordinance which would require that all new dolphins in Hyannis harbor first be approved by the Barnstable Historical Commission. Mr. O'Brien stated that the proposed ordinance appeared to have widespread support from the council members and that, as a result, the Authority probably would be required to construct wooden dolphins in Hyannis instead of the ones currently designed.

IT WAS VOTED -- to go into executive session for the purpose of discussing real estate, collective bargaining and other labor related matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

October 27, 1994
PUBLIC MEETING
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At approximately 12:10 p.m., Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD



WILLIAM R. ANDREWS, Secretary

Meeting

MINUTES

Steamship Authority

Public Meeting

August 18, 1994

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:10 a.m., in the Hearing Room of the Barnstable Town Hall, 367 Main Street, Hyannis, Massachusetts.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Martha's Vineyard; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Acting Maintenance and Construction Manager James P. Swindler; Customer Services Manager Gina Barboza; Special Projects Manager Wesley J. Ewell; Operations Manager John D. Crocker; Personnel Manager Phillip J. Parent; and Executive Secretary to the General Manager Maxine Horn.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on July 20, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on July 29, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In response to a question from Mr. O'Brien, Mr. Sayers stated that, as previously requested by Mr. Grossman, he would attempt to locate the Authority's agreement with the Office of the Inspector General pursuant to which the Authority agreed to license future passenger vessel services by requesting competitive proposals from interested vessel operators.

Procurement:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to award Contract No. 11-94 for a rebuilt marine main propulsion engine for the M/V Katama to the lowest eligible and responsible bidder after the bids for the contract are opened on September 1, 1994.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Vineyard Haven Terminal Reconstruction Project:

Mr. Ewell reported that sub-bids for the Vineyard Haven Terminal Reconstruction Project would be opened on August 26, 1994, that general bids would be opened on September 9, 1994, and that the contract would hopefully be awarded by the Members at their September 22, 1994 meeting, with an expected ground-breaking immediately after the Columbus Day weekend. Mr. Ewell also reported that the Authority had received all of its permits for the project except for the Chapter 91 permit, with which he did not anticipate a problem.

Mr. Rappaport, noting that the Tisbury Selectmen had requested that the Authority give to the Town the buildings which will be disposed of as a result of the project, asked Mr. Ewell what arrangements had been made in this regard. Mr. Ewell stated that he had spoken with the Director of the Town's Department of Public Works on this subject and that they had agreed the Town would work directly with the Authority's general contractor to obtain those buildings.

Mr. Ewell also reported that the Authority had been working with the Town of Tisbury to work out a cost-sharing agreement to install a new water main and to relocate all the electricity wiring underground for the full length of Water Street. In fact, Mr. Ewell stated that a verbal agreement had been reached with the Town regarding the underground electricity lines, pursuant to which the Town will be responsible for all work associated with relocating the lines and the Authority would make two payments: one in the amount of \$12,600 to the electric company for the wiring and transformers; and a second in the amount of \$3,000 to the Town for a portion of its

expenses. Mr. Ewell stated that the Authority's payments represented approximately fifty percent of the cost of the electrical work. Mr. Ewell also estimated that the installation of a twelve inch water line, which was needed by the Authority for fire protection, would cost approximately \$35,000, plus another \$1,000 for the design.

Mr. Grossman cautioned Mr. Ewell that the new electrical work should be properly done so as not to result in the electrolysis problem which had occurred on the Authority's vessels at the Nantucket terminal and other locations.

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Ewell reported that the Authority's designers had revised the pier and site plan drawings, as requested by the Members at their last meeting, at a cost of only \$2,900. Mr. Ewell also stated that the Authority would be prepared to advertise the project in mid-September and that construction would probably commence in December 1994 or January 1995. In response to a question from Mr. Andrews, Mr. Ewell stated that he had been assured that the Authority would not lose the ISTEA funding as a result of not having received bids for the project prior to October 1, 1994.

Treasurer's Report:

Mr. Lamson reported that the Authority's estimated net operating income for the month of July 1994 was approximately \$400,000 to \$500,000 higher than was projected in the 1994 operating budget, due primarily to an increase in passenger and automobile traffic to both islands. Mr. Lamson stated that, as a result, the Authority's net operating income for the first seven months of 1994 was expected to be approximately \$1.4 million higher than anticipated.

Proposed Operating Schedules:

Mr. Lamson then presented the proposed 1995 Spring, Summer and Fall operating schedules, which will be on the agenda of the Authority's September 22, 1994 meeting for approval by the Members. Mr. Lamson stated that the proposed schedules were

basically the same as their corresponding 1994 schedules, with the following exceptions:

1. The start of the 1995 Summer schedule has been moved forward one week to May 18, 1995;
2. The 6:00 a.m. departure from Vineyard Haven has been restored to help commuters make the bus connection at Woods Hole during the 1995 Summer and Fall schedules;
3. The current 9:30 p.m. trip from Woods Hole during the Summer schedule has been changed to 9:45 p.m. in 1995 to help those passengers taking the bus from Boston make the last boat connection on Mondays through Thursdays and Saturdays; and
4. Additional freight trips are scheduled on the Nantucket run during the 1995 shoulder seasons to supplement the three daily round trips made by the M/V Eagle or the M/V Nantucket, as the case may be.

1995 Advertising Program:

Mr. Lamson began his presentation on the Authority's 1995 advertising program by advising the Members that 35% of the Authority's total operating revenues is derived from passengers, and that over 50% of the Authority's total passenger traffic is carried during the months of June through September. Mr. Lamson also stated that, during the peak season, the Authority's competitors carry approximately one out of every three passengers to Martha's Vineyard and one out of every two passengers to Nantucket. For these reasons, Mr. Lamson stated that the Authority needs to maintain or even increase its market share of passenger traffic to the islands by providing better service and maintaining visibility in the marketplace.

Accordingly, Mr. Lamson said that the management staff was recommending that the Authority's advertising budget for 1995 remain at the same level as 1994, namely, a cash budget of \$125,000 plus "reciprocal trade" of \$31,200. Mr. Lamson also stated that the Authority's management staff was recommending that Moore & Isherwood continue as the Authority's marketing and advertising agency for 1995. Mr. Beach said that the Finance Advisory Board concurred with both recommendations, subject to

the Finance Advisory Board's final review of Moore & Isherwood's proposed 1995 placement program.

In response to a question from Mr. Rappaport, Mr. Lamson said that the \$31,200 of "reciprocal trade" represented the value of passenger tickets given by the Authority in trade for advertising placements. Also, both Mr. Lamson and Mr. Murphy assured Mr. Rappaport that such reciprocal trade was a good value for the Authority, since historically only 35% of the tickets are actually used.

Mr. Rappaport said that, although he did not have any problem with the recommended amount of the advertising budget, he disagreed with some of the priorities of the Authority's advertising program. First, Mr. Rappaport said, he did not believe that advertising should be used for promotional purposes, except for shoulder and offseason travel and for persons who are travelling without automobiles. Second, Mr. Rappaport said that he felt the Authority should be directing its advertising towards transmitting information about the Authority's schedules, rules and regulations. Third, Mr. Rappaport said that the Authority's advertising should promote the availability of the bus as an alternative means of transportation to Woods Hole, and that the Authority also should look at price incentives to encourage people to take the bus.

Mr. Andrews declared that he would not support any advertising that encouraged people to use their automobiles during the summer season. Instead, Mr. Andrews stated that he wanted to make certain that the Authority's advertising promoted the use of public transportation and, until he saw the advertisements which were going to be placed, he would vote against the program.

Falmouth Selectman Mary ("Pat") Flynn voiced her support for the advertising goals which were stated by both Mr. Andrews and Mr. Rappaport, and agreed that the Authority's customers needed to be educated to use public transportation. Ms. Flynn also asked the Members to consider reducing the advertising budget by ten percent to see what effect that would have on the Authority's ridership, noting that it has increased every year. However, Mr. Murphy informed Ms. Flynn that the Authority already had reduced its advertising budget by \$25,000 this year and that it would be very difficult to judge what effect such a further reduction would have until it is too late, especially in light of the fact that the Authority is operating in a competitive market for passenger traffic.

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the firm of Moore & Isherwood as the Authority's advertising agency for 1995 and to approve an advertising budget for 1995 in the amount of \$125,000 plus "reciprocal trade" of \$31,200, provided that all advertising must be approved by the Members before its placement. In addition, the goals of the advertising program are to be as follows:

1. To promote shoulder and off season traffic and to target persons travelling without automobiles;
2. To transmit information about the Authority's schedules, rules and regulations; and
3. To promote the availability of alternative means of transportation to Woods Hole and Hyannis

VOTING AYE: Messrs. Grossman and Rappaport

VOTING NAY: Mr. Andrews

Guaranteed Standby Policy:

With respect to the Authority's guaranteed standby policy, Mr. Lamson stated that the Authority's current policy was to offer guaranteed standby to vehicles in the standby line in Woods Hole or Vineyard Haven prior to 2:00 p.m. from the start of the summer schedule through Columbus Day weekend, although the policy is not advertised or printed in any of the Authority's schedules or brochures. Mr. Lamson said that the management staff was not proposing any changes in the guaranteed standby policy at this time, but was seeking direction from the Members as to what the Authority's policy should be for those standby vehicles which show up after the 2:00 p.m. cutoff and under what conditions the seventh vessel should be scheduled for additional service during the summer season.

Mr. Rappaport, stating that he had given this issue a great deal of thought throughout the course of the summer, made the following statement:

"This summer we have experienced a significant increase in traffic to the islands. Automobile traffic to the Vineyard is up approximately 8.3%. Traffic congestion is the worst in my memory and everywhere I go I hear expressions of frustration about traffic.

"As I have consistently stated, the Steamship Authority is not a zoning body. Its mission should not be to either limit or promote growth -- that role rests with the planning agencies of our port communities. But how the Steamship Authority operates does have a direct effect on the Vineyard and the people of Falmouth and Woods Hole.

"The Steamship Authority needs to set a level of service that is sound from a business standpoint while also being sensitive to the needs of our port communities. Towards that end, we need direction from the planning agencies of the Vineyard.

"I urge that we hold a meeting early this Fall with the Martha's Vineyard Commission, the planning agencies of the island, the business community and the general public, because together we need to coordinate a process of addressing this issue and solving our problems."

Mr. Rappaport then proposed several starting points for discussions. The first one was the possibility of a parking area somewhere between the outskirts of Falmouth and Otis Air Force Base. With respect to this issue, Mr. Rappaport continued with his statement as follows:

"While I have heard repeated comments this summer about traffic congestion on the Vineyard, I am fully cognizant that similar concerns are being voiced by our host community of Falmouth and by the Village of Woods Hole. I have talked to my fellow Governor, Bill Andrews, about this and I have read about and heard the concerns of the Falmouth Selectmen. I believe that the Steamship Authority should investigate the possibility of acquiring a parking lot somewhere between the outskirts of Falmouth and Otis Air Force Base to be utilized during the peak season for parking and/or the staging of standby

vehicles. I believe we should attempt to coordinate this effort with the Woods Hole Oceanographic Institution and the Marine Biological Laboratories, which also contribute to traffic and parking problems in Woods Hole. We should try to find a way to limit the number of cars coming to Woods Hole and Falmouth and thereby lessen the impact of our presence on that community."

The second starting point for discussions identified by Mr. Rappaport was whether the Authority should run through the night. With respect to this issue, Mr. Rappaport stated:

"I believe that it is not a good practice, because I have been informed that running vessels through the night to bring vehicles to the island is not profitable. It is also an imposition on our port communities. While I understand that this only occurred during the past two July 4th weekends and, according to management's report, is unlikely to occur next July 4th, it is possible that the utilization of three freight boats for the first time this year is the only reason we have prevented overnight runs from happening on other occasions. We should be looking at ways to ensure that we do not operate through the night again, except in the most exigent of circumstances, either by limiting the number of trips per day, or limiting the number of vehicles transported per day, or having a curfew on hours of operation, except in cases of emergency or other exigent circumstances."

Mr. Rappaport identified the third starting point for discussions to be the use of the seventh vessel. With respect to this issue, Mr. Rappaport stated:

"I have reviewed various memoranda which were circulated prior to the acquisition of the Sankaty, our seventh vessel, and the consistent theme was that this vessel was to be used as an emergency backup and to permit a more efficient maintenance schedule, thereby cutting overtime. This summer the seventh vessel has been used to assist in various peak travel periods. I believe we should adopt a formal policy as to when this third freight vessel will be utilized, because each trip of that vessel brings an additional thirty cars to the island."

Mr. Rappaport stated that his fourth starting point for discussions was the Authority's advertising budget, which had already been addressed earlier in the meeting. The fifth issue was whether there should be additional preference for local residents, with respect to which Mr. Rappaport stated:

"I have heard repeatedly that, with the increase in traffic, it is becoming increasingly difficult for island residents to obtain space on Steamship Authority vessels. We do have an advance reservation policy which favors trips originating from the island, but I would request that we look at ways of expanding that policy or adopting other measures such as a dedicated run in each direction, with even a freight boat, so that this need can be addressed."

Mr. Rappaport then identified his sixth issue to be whether the Authority should consider using price incentives to discourage short term automobile traffic and peak weekend travel, similar to what airlines and ski resorts do. This would include exploring the possibility of charging premium rates for short-term travel and standby travel during peak periods.

Finally, Mr. Rappaport identified his seventh issue as that of long term planning, stating:

"Last year we voted to fund traffic studies on the Vineyard and Nantucket from the proceeds of the sale of the Uncatena. When that sale realized less than we anticipated, we voted earlier this year to contribute \$30,000 for such a study on the Vineyard, the entire cost of which would be borne by the ridership on the Vineyard run. That expenditure was deferred until Fall with other funds used to improve the parking lot for Tisbury's Park and Ride project. I would like to have this expenditure item on the agenda for our September meeting, because I believe that this money can effectively be used by the Martha's Vineyard Commission to assemble the type of information that is needed to permit the Steamship Authority, the Martha's Vineyard Commission and other planning agencies to create a meaningful data base to assist us in our planning process."

Mr. Rappaport stated that he wanted to be clear that he was not asking for any specific action to be taken by the Members today on these issues, but that he was asking that the issues be reviewed by management and considered and discussed at a public forum on the Vineyard, and that the Authority contact the Martha's Vineyard Commission to establish a date for that public forum.

Mr. Andrews agreed with Mr. Rappaport's request for a meeting with the Martha's Vineyard Commission and other island planning agencies, but asked that the Falmouth Selectmen be included in any such meeting. Ms. Flynn then informed the Members that selectmen from Martha's Vineyard already had invited the Falmouth Selectmen to such a meeting this summer to discuss traffic issues, and that the Falmouth Selectmen had accepted the invitation. Ms. Flynn also mentioned that she previously had proposed the location of a transportation and parking center on the outskirts of Falmouth, which she felt would address traffic issues related not only to the islands, but also to Falmouth and the rest of Cape Cod.

End of Season Informational Meetings:

In response to a suggestion by Mr. Lamson, the Members expressed general enthusiasm for the idea of having the Authority's management staff hold informational meetings in each of the communities served by the Authority at the end of the season. Messrs. Murphy and Rappaport suggested, however, that more than one meeting may be necessary on Martha's Vineyard. Therefore, Mr. Rappaport asked that those meetings be coordinated with the Martha's Vineyard Commission.

Old and New Business:

Although the summer was not yet over, Mr. Rappaport stated that he wanted to commend all of the Authority's employees for the outstanding job they did this year in flawlessly handling the increase in traffic.

August 18, 1994
PUBLIC MEETING
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IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to go into executive session for the purpose of discussing real estate, anticipated litigation, collective bargaining and other labor related matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

At approximately 10:10 a.m., Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD

WILLIAM R. ANDREWS, Secretary

MINUTES

Steamship Authority

Public Meeting

July 29, 1994

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 8:30 a.m., in the conference room of the Authority's General Offices, which are located at the Authority's Woods Hole Terminal, Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were two of the three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Acting Maintenance and Construction Manager James P. Swindler; Facilities Engineer John D. Tuckwood; Customer Services Manager Gina Barboza; Special Projects Manager Wesley J. Ewell; and Executive Assistant to the General Manager Maxine Horn.

Request for License from Freedom Cruise Line:

IT WAS VOTED -- on Mr. O'Brien's motion -- to allow Alan McMullen, doing business as "Freedom Cruise Line," to carry up to 50 passengers on return trips from Nantucket to Harwich only for the remainder of the 1994 summer season (ending September 15, 1994), and to reevaluate Mr. McMullen's request and the entire situation next year.

VOTING AYE: Messrs. Grossman and Andrews
VOTING NAY: None

The first matter taken up by the Members was a request from Alan McMullen, who is operating a passenger vessel service between Harwich and Nantucket under the name "Freedom Cruise Line," for permission to increase the capacity of his vessel on that route from 40 to 60 passengers. Mr. Lamson reported that this item was on the agenda for last week's meeting, but that Mr. McMullen had not been notified of the exact time and place of the meeting.

John O'Brien, Executive Director of the Cape Cod Economic Development Council, spoke in favor of Mr. McMullen's request. Mr. O'Brien stated that the Council's interest in Mr. McMullen's operation was based primarily upon his employment of dislocated fishermen. Mr. O'Brien noted that Mr. McMullen had twelve employees, most of whom were dislocated fishermen, and that the operation was a tremendous success, with Mr. McMullen turning away as many as 80 people per day.

Mr. McMullen informed the Members that he operates three trips per day between Harwich and Nantucket, leaving the mainland at 7:45 and 11:45 in the morning and at 6:00 in the evening. He said he was asking for some flexibility from the limitation of 40 passengers so that he could satisfy patrons who wanted to return from Nantucket on trips other than the ones for which they had reservations due to emergency situations or bad weather. Mr. McMullen also stated that the capacity of his vessel was 101 passengers, but that he had requested the U.S. Coast Guard to limit the number of passengers on his Harwich-to-Nantucket route to 40, which requires him to take additional life jackets off the vessel.

In response to questions from Mr. Grossman, Mr. McMullen acknowledged that his problem was with his return trips from Nantucket, and that his problem definitely would be solved if the Authority were to allow him to increase his capacity on the return trips only, to accommodate those people who want to come home earlier or stay longer. Mr. McMullen stated that in any event he did not want to carry many more than 40 passengers, since the vessel only had inside seating for 40 people.

Mr. Rappaport expressed his concern that Mr. McMullen was approaching the Members in the middle of the season and that there were other vessel operators providing service to the islands who similarly might be interested in receiving an exemption from the Authority's licensing powers. Mr. Rappaport stated that, as a matter of fairness to those other operators, he did not feel it would be appropriate to consider only Mr. McMullen's request at this time, until the Authority could look at the wider implications of its actions.

In response to Mr. Rappaport's stated concern, John O'Brien informed the Members that Mr. McMullen was the only vessel operator who has been given permission by the Town of Harwich to provide a passenger vessel service, and that there

were no other similar operations in the ten lower towns of Cape Cod. John O'Brien also stated that Mr. McMullen was prepared to provide reports to the Authority of the number of passengers he carried on a weekly or bi-weekly basis.

In response to a question from Mr. Andrews, Mr. Sayers stated that the Authority had agreed with the Office of the Inspector General to license future passenger vessel services by requesting competitive proposals from interested vessel operators. Mr. Sayers also stated that, although he would need more time to look into the question, given Mr. McMullen's representation that he was the only operator who was qualified to operate a passenger vessel service between Harwich and Nantucket, there was a possibility that any request for competitive proposals might be considered futile, since Mr. McMullen might well be the only person who could submit a proposal for the service. Mr. Grossman said that he did not remember such an agreement with the Inspector General coming before the Members for their consideration, and asked Mr. Sayers for a copy of that agreement.

Mr. Lamson stated that the Authority's management staff was recommending that no license be given to Mr. McMullen for an overall increase in his vessel's capacity beyond 40 passengers, but that allowing him to carry ten more passengers on his return trips from Nantucket seemed like a fair compromise. Mr. Lamson also inquired as to whether Mr. McMullen's vessel was handicapped accessible, since the Authority in the past had a policy of requiring that the vessels and facilities of operators who were licensed by the Authority to provide a passenger vessel service be handicapped accessible.

Mr. McMullen stated that while his vessel was handicapped accessible, the marina where the vessel docked in Harwich was not, and that he was informed that a 109 foot ramp would be required to make the marina handicapped accessible. In these circumstances, Mr. Sayers suggested that the issue of handicapped accessibility might appropriately be deferred until next year if the Members, confronted with an unanticipated situation, were to limit their permission to this year only to provide a temporary accommodation.

Mr. Beach informed the Members that Martha's Vineyard's Finance Advisory Board Member, Robert C. Murphy, objected in principle to giving away any additional passengers to other vessel operators providing service to the islands.

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Lamson reported that the Authority's management staff and engineers had attempted to identify additional cost savings measures to reduce the estimated construction cost of the work to be performed under the marine and site work contract. Mr. Lamson stated that, although a number of other possibilities had been looked into, management's recommendation was that the present design of the marine and site work be changed only by eliminating the truck scale, reducing the width of the public pier and reducing the width of the passenger shelter, for a total estimated cost savings of \$161,000, less the cost of redesigning these items. Mr. Lamson also stated that management was recommending that the Authority go to bid with this project with the expectation that the actual bid prices will be less than the cost estimate.

Mr. O'Brien commented that he thought the reduction of the width of the town pier was a necessity regardless of whether it resulted in a lower construction cost. Mr. O'Brien stated that if the width of the pier were not reduced, it would be in conflict with the adjacent marina owned by Peter Consiglio. On this subject, Mr. Grossman asked management if it could also attempt to renegotiate the Authority's contractual obligation to relocate Mr. Consiglio's pump-out station and davit.

In response to a question from Mr. Kelleher, Mr. Lamson stated that the recommended changes in the design are relatively minor and should not have any major impact on the Authority's ability to receive the ISTEA grant. In addition, the elimination of the truck scale had been discussed at length with the Hyannis Terminal Manager, who sees no operational problems as a result of that change. Indeed, Mr. Lamson reported that the previously proposed location of the truck scale had complicated the movement of trucks and passenger vehicles, so its elimination from the design should improve traffic flow. Since the truck scale had been included in the design to guard against overweight trucks exceeding the capacity of the Authority's transfer bridges, Mr. Beach suggested that management should investigate the alternative of having strain gauges installed on the transfer bridges themselves.

IT WAS VOTED -- to go into executive session for the purpose of discussing matters pertaining to real estate negotiations and anticipated litigation.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

At approximately 9:15 a.m., Mr. Grossman stated that the Members would reconvene in public after the conclusion of the executive session.

At approximately 10:15 a.m., the Members reconvened their meeting in open session, at which time Mr. Grossman stated that the issue before the Members was whether or not to go forward with the proposed invitation for bids for the Hyannis Terminal Reconstruction Project.

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to go forward with the proposed invitation for bids for the Hyannis Terminal Reconstruction Project with the following changes to the present design for that project:

- (1) the elimination of the truck scale;
- (2) the reduction of the width of the public pier in the manner set forth in Staff Summary #SP-003;
- (3) the reduction of the size of the passenger shelter on the new pier, as also set forth in Staff Summary #SP-003; and
- (4) the reduction of the pavement thickness by one inch.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Rappaport stated that he was concerned that the issue of dredging approximately 3,000 cubic yards of material in front of Hyannis Marine had never come before the Members for their consideration or approval and that Mr. Rappaport personally had not been aware of the issue until this past week. Mr. Rappaport stated that he was also concerned about the Authority's lack of

ability to have a boat moored overnight in the second slip without the approval of the Barnstable Town Manager, especially in light of the fact that, subsequent to the execution of the agreement with the Town of Barnstable, the estimated construction cost of the project has escalated from \$4.5 million to \$6.2 million, increasing the project's overall estimated cost to approximately \$11 million, and the size of the Authority's fleet has expanded from six to seven. Mr. Rappaport suggested that the Authority should seek to amend that portion of the agreement limiting the Authority's ability to moor a boat in the second slip so that he can be satisfied that the expenditure is fully warranted. Mr. Rappaport stated that, without such an amendment, he was concerned that the project's overall cost may not be justified by the limited benefits which the Authority will receive from the project.

In this regard, Mr. Rappaport stated that he wanted to make certain that there will be language in the bid documents which will permit the Authority to reject any and all bids if the Members' concerns are not satisfied. In response, Mr. Sayers stated that the statutory language in both bid processes will allow the Authority to reserve the right to reject any and all bids if it is in the public interest to do so.

At Mr. O'Brien's suggestion, the Members agreed to reduce the proposed pavement thickness by one inch. Mr. O'Brien stated that such a reduction would make sense so that, when the Authority subsequently repaves the property, which may also act as a levelling force, the Authority would not be continually building up its asphalt.

In the end, Mr. Lamson stated that the design changes voted by the Members would reduce the estimated construction cost of the project by \$176,000, less the cost of redesign. In this regard, Mr. O'Brien said that, in any event, the Authority should not pay any additional design charges for the reduction of the width of the town pier, since the present proposed width of the pier is a design error.

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to go into executive session for the purpose of discussing real estate, collective bargaining and other labor related matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

July 29, 1994
PUBLIC MEETING
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At approximately 10:45 a.m., Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD


WILLIAM R. ANDREWS, Secretary

Meeting

MINUTES

Steamship Authority

Public Meeting

July 20, 1994

To Members 8/3/94

July 20, 1994
PUBLIC MEETING
Page 1

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 10:30 a.m., in the Selectmen's Meeting Room of the Town and County Building, 16 Broad Street, Nantucket, Massachusetts.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Operations Manager John D. Crocker; Acting Maintenance and Construction Manager James P. Swindler; Personnel Manager Phillip J. Parent; Facilities Engineer John D. Tuckwood; Customer Services Manager Gina Barboza; Special Projects Manager Wesley J. Ewell; Nantucket Terminal Manager Paul Harrington; and Executive Assistant to the General Manager Maxine Horn.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on June 16, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Procurements:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to confirm the award of Contract No. 1-94 for processed food for vessel employees from July 1, 1994 through December 31, 1994 to the low eligible and responsible bidder, Cirelli Foods, Inc., in the amount of \$40,589.67.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Ewell reported that the drawings for the terminal building contract were now 90% complete and that the drawings for the marine and site work contract were 75% complete. Mr. Ewell also reported that the Authority had just received new cost estimates for the project, namely, a \$1.8 million cost estimate for the terminal building and a \$4.4 million cost estimate for the marine and site work, which was about \$1.2 million more than the Authority expected it to be. However, Mr. Ewell stated that the cost estimates appeared to be accurate and that there were no areas of excessive design or finishes which he thought the Authority could eliminate and thereby save substantial amounts of money.

In the course of explaining the reasons for the increase in the cost estimates, Charles Natale of EARTH TECH, formerly HMM Associates, Inc., stated that the previous estimates provided to the Authority in January 1994 were based upon a 20% conceptual design and an unrestricted bidding process. Since then, the Authority had received a \$2,000,000 ISTE A grant, which requires that the marine and site work contract be awarded under a "restricted" bidding process, with prevailing wage, "Buy American" and minority business participation requirements. Mr. Natale also stated that the increase was also partially attributable to design modifications and refinements that have taken place since January 1994, such as the relocation of the truck scale, changes requested by the Town of Barnstable during its review of the drawings, and the fact that the designs have moved from a 20%-30% level to a 90% and 75% level, where the engineers now see much more detail in terms of what will be built.

Mr. Natale said that he had repeatedly informed the Authority in writing that the separation of the project into two construction contracts would result in a probable increase in construction costs, although he could not determine how much that increase would be until last week when the 90% and 75% design submittals were finalized. According to Mr. Natale, the ISTE A funding issue made all of the engineers' previous cost estimates obsolete.

Mr. Rappaport expressed his great frustration over the new cost estimates, noting that, even before the commencement of construction, the projected cost of the project was already more than \$11 million, including \$3.5 million to purchase the abutting property, a projected \$6.2 million construction cost, \$800,000 in engineering and design fees, and \$200,000 in expenses related to the agreement with the Town of Barnstable. Mr. Rappaport also reminded Mr. Natale that the Members consistently had declared their strong desire to hold down the cost of this project and stay within budget, which is why the Members, among other things, eliminated the proposed restaurant and reduced the size of the terminal building by 2,000 square feet. Mr. Rappaport said that it was very frustrating to receive these new cost estimates at the last minute when the Authority obviously was under serious time constraints.

Mr. Grossman agreed with Mr. Rappaport's statements and observed that the additional costs imposed by accepting the ISTEA grant (\$1.2 million in construction costs and \$300,000 in design fees) almost exceeds the amount of the grant itself.

Mr. Andrews questioned why, for example, the estimated cost of the pilings increased so much as a result of the ISTEA grant. In response, Richard Fitzgerald of Childs Engineering stated that in January 1994, based upon an unrestricted bidding process, he had estimated each steel pipe pile to cost \$3,100 and each timber pile to cost \$900. However, due to prevailing wage and benefits that the contractor will now be required to pay under a restricted bidding process, he was now estimating each steel pipe pile to cost \$4,600 and each timber pile to cost \$1,600.

In response to a question from Mr. Rappaport, John Keenan of Keenan + Kenny, Architects, Ltd. stated that the cost of the site electrical work previously had been underestimated by \$70,000 because the engineers made a mistake due to the fact they didn't have the level of detail which they have now.

Noting that Mr. Natale had never before indicated that the cost of the project was going to increase by the percentage he was now stating, Mr. Kelleher asked Mr. Natale why the possibility of such a large increase wasn't brought out at the time the Authority was considering accepting the ISTEA grant. In response, Mr. Natale stated that, although he knew the costs were going to increase, at the time he didn't know how much.

Mr. Kelleher then asked Mr. Natale to estimate what his firm's total design fees would be through the construction phase of the project. In response, Mr. Natale stated that, from the project's start to finish, his firm's design fees would be \$847,000, which amount has already been approved. Further, with respect to the projected construction cost of the project, Mr. Natale stated that, if the Authority proceeded without any further changes, he generally did not expect that there would be any additional costs, except for some minor ones attributable to potential changes in the berthing structures and furnishings.

In the end, Mr. Lamson recommended that the Authority go forward with the project, noting that it was still within the original budget that the Authority was willing to spend without the ISTE grant. Mr. Lamson also noted that the 15% contingency which the engineers were carrying in their cost estimate for the marine and site work was unusually high, providing the Authority with some assurance that it will be a good estimate. In addition, Mr. Lamson stated that the Massachusetts Highway Department had prepared another independent cost estimate for that work which had come in within 5% of the one prepared by the Authority's engineers.

Nevertheless, the Members directed the management staff to look at every possible way to cut costs from the project that would be feasible (or, in other words, that would result in savings without major redesign) and to come back to the Members with their recommendation. Mr. Grossman then tentatively scheduled a special meeting on this subject for 8:00 a.m. on Friday, July 29, 1994. The Members also stated that they thought it was incumbent upon the engineers to see how the cost of the project could be cut back to somewhere near what was previously expected without charging the Authority for any additional services.

In this regard, Mr. Natale stated that reducing the size of the pier would be the first thing he would look at, estimating that the Authority could thereby save approximately \$250,000. However, he stated that such a reduction would affect the permitting process and that, once the Authority began redesigning the project, it would lose the ISTE grant. Mr. Natale's recommendation was to advertise the project and see what bids are received.

Vineyard Haven Terminal Reconstruction Project:

With respect to the Vineyard Haven Terminal Project, Mr. Ewell reported that the advertisement for bids had been sent out the day before to the Central Register, and that construction would probably commence after the Columbus Day weekend. Mr. Ewell also reported that the current cost estimate for the project was \$2.3 million, and noted that the original budget of \$2 million had been increased by \$120,000 for the additional pavilion. In sum, Mr. Ewell said that the project was very close to schedule and very close to budget, with the only pending permit application being that for the Chapter 91 license, with respect to which he anticipated no problems.

Tisbury Building and Zoning Official Ken Barwick also informed the Members that he had reviewed the drawings and prints for the project and that they were very clear. Then Mr. Barwick and Elizabeth Wild, Chairman of the Tisbury Board of Selectmen, thanked the Members on behalf of the Town for the their support of Tisbury's new park and ride transit system. Mr. Barwick reported that the system was up and running on a daily basis, beginning one half hour before the Authority's first boat leaves Vineyard Haven in the morning and ending one half hour after the last boat docks. Mr. Barwick also stated that it appeared that the majority of the system's users were Authority patrons. Finally, Mr. Barwick said that he thought the Members would be surprised to learn that the cost of the parking lot was coming in about \$9,000 under budget.

Treasurer's Report:

Mr. Lamson reported that the Authority's net operating income for the month of June 1994 was expected to be approximately \$330,000 higher than the amount projected in the 1994 operating budget. Mr. Lamson stated that \$240,000 of that increase was attributable to higher than anticipated traffic levels, and that the balance was due to lower than projected operating expenses.

1994 Late Fall and 1995 Winter Operating Schedules:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the Authority's 1994-1995 Late Fall Operating Schedule, effective November 1, 1994 through January 5, 1995, as set forth in Staff Summary #MSP94-15.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the Authority's 1995 Winter Operating Schedule, effective January 6, 1995 through March 15, 1995, as also set forth in Staff Summary #MSP94-15.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Mr. Lamson reported that, since the Members' meeting last month on Martha's Vineyard, he had received just one letter regarding the proposed elimination of the 10:45 p.m. trip from Woods Hole to Vineyard Haven on Fridays during the late fall schedule. (Mr. Lamson noted that under the proposed schedule the last trip would be moved up to 10:00 p.m., as it was during last winter's schedule.) Mr. Lamson also assured Mr. Grossman that Nantucket would have two vessels available during the 1995 Daffodil Weekend.

Mr. Rappaport recounted how, at the Members' meeting last month on Martha's Vineyard, a gentlemen had presented a petition requesting that the first trip from Vineyard Haven be moved back to 6:00 a.m. for the next summer schedule, and how the gentleman had also stated that the first boat frequently left late and, as a result, a number of commuters were inconvenienced. Mr. Rappaport stated that at the time he was disappointed with the information that was represented, but that after the meeting he was gratified to receive a memorandum from Captain Crocker demonstrating that the first boat from Vineyard Haven leaves late on the rarest of occasions and that it never has arrived late in Woods Hole. Further, except for one instance, there were never more than seven commuters on that boat (once there were sixteen) and that on a number of occasions there were either no commuters or just one. Mr. Rappaport said that, after the meeting, he also discovered that most of the people who had signed the petition were not commuters themselves.

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PUBLIC MEETING
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License and Dockage Agreement with Island Commuter Corp.:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to execute the License and Dockage Agreement with Island Commuter Corp. in the form attached to Staff Summary #L-161, and to take all actions which are necessary and appropriate to fulfill the Authority's obligations under that Agreement.

VOTING AYE: Messrs. Grossman and Andrews

VOTING NAY: None

Pursuant to the License and Dockage Agreement, Island Commuter Corp., for a fee of \$500, will be allowed to transport participants in the Woods Hole Golf Club outing from Falmouth to Martha's Vineyard and then to Nantucket on October 17, 1994, to berth its vessel overnight at the Authority's Nantucket terminal and then, the following day, to transport the participants back to Falmouth.

Mr. Rappaport asked that this item be deferred until the following week so that the Members could first discuss another matter in executive session, but the other Members stated that they felt this request was a separate matter from that which they believed Mr. Rappaport wanted to discuss.

Annual Hospital Donations:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- to approve cash donations in the amount of \$1,500 each to the Cape Cod Hospital, the Falmouth Hospital, the Martha's Vineyard Hospital and the Nantucket Cottage Hospital.

VOTING AYE: Messrs. Grossman and Andrews

VOTING NAY: None

Mr. Beach stated that the Finance Advisory Board, based upon Mr. Sayers' June 12, 1992 memorandum, wished to renew its objection to these donations since the Board did not believe that the Authority would receive any benefit in return which the hospitals would not otherwise offer. Mr. Beach stated that the Board wanted to be on record as taking the position that, in these circumstances, they did not believe the expenditures to be legally appropriate. Mr. Rappaport agreed with the Finance Advisory Board's position and declined to vote on this matter.

Dedicated Communications System:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to approve the solicitation of competitive bids for a dedicated communications system for the Authority's vessels and terminals in accordance with the provisions of the Authority's Procurement Policy.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Proposed Medical Policy:

In commenting on the management staff's proposed medical policy, as set forth in Staff Summary #CS-010, the Members expressed their general opinion that, particularly with respect to Nantucket, the informal basis on which medical situations have been handled in the past has worked very well. However, in order to eliminate confusion about what the Authority's medical policy is, and to assist the terminal managers in enforcing the policy, the Members agreed that a policy satisfactory to Ms. Barboza and the terminal managers should be developed and stated in writing so that it can be distributed to the public. The Members also stated that they hoped the development of such a policy would not complicate the existing computer program.

Request for Additional Hazardous Material Trips:

The Members declined a request from Francis Paciello for additional hazardous cargo trips between Woods Hole and Martha's Vineyard on weekends. Mr. Lamson recommended against the request, stating that on weekends the freight boats needed to remain available for standby vehicles. Mr. Murphy also felt that the expense of an additional hazardous cargo trip could not be justified, and raised the question of whether Mr. Paciello's problem may be more with his tank capacity.

Request for License from Freedom Cruise Line:

The Members deferred a request from Freedom Cruise Line for a license to carry 60 passengers on its vessel between Harwich and Nantucket. Mr. Harrington noted that he personally has never observed more than 20 to 30 passengers on board the vessel.

Old and New Business:

Sid Conway requested the Members to consider beginning next year's summer schedule as early as May 15th. Mr. Conway also inquired why the men's restroom on the top deck of the M/V Eagle was closed and why the television on that vessel was not operational.

Grace Grossman related to the Members the large number of positive comments she has received about the improvements in the food service on board the Authority's vessels this year. Mrs. Grossman also complimented the vessels' crews and the employees at both the Hyannis and Nantucket terminals, stating that they were all owed a debt of gratitude for getting everyone safely back and forth.

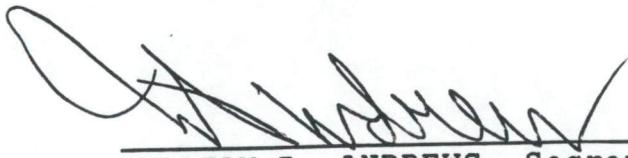
In response to a question from Amy Callahan, Mr. Grossman stated that the Authority had engaged the services of Isaacson, Miller, Inc. of Boston, Massachusetts to assist the Authority in finding a new General Manager.

IT WAS VOTED -- to go into executive session for the purpose of discussing real estate, anticipated litigation, collective bargaining and other labor related matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

At approximately 12:00 noon, Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD


WILLIAM R. ANDREWS, Secretary

Meeting

MINUTES

Steamship Authority

Public Meeting

June 16, 1994

June 16, 1994
PUBLIC MEETING
Page 1

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 4:00 p.m., at the Tisbury Senior Center on Pine Tree Road in Tisbury, Massachusetts.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Facilities Engineer John D. Tuckwood; Customer Services Manager Gina Barboza; Planning and Development Manager Wesley J. Ewell; Vineyard Haven Terminal Manager Robert P. Clark; Vineyard Haven Terminal Agent Bridget Tobin; and Executive Assistant to the General Manager Maxine Horn.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on May 19, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Procurements:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to award Contract No. 9-94 for diesel fuel oil for the Authority's vessels to the low eligible and responsible bidder, Canal Fuel Company.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Vineyard Haven Terminal Reconstruction Project:

Mr. Tuckwood reported that the design process for the Vineyard Haven Terminal Reconstruction Project was going very well, that the Authority had applied for the Chapter 91 license for the proposed waiting pavilions on the pier, and that the Authority's first hearing before the Tisbury Conservation Commission was scheduled for the following Tuesday, June 21, 1994. In sum, Mr. Tuckwood stated, the project was within budget and on schedule, and that he foresaw no problems which would prevent the commencement of construction on October 1, 1994.

Mr. Rappaport stated that he was very pleased with the project to date and that he felt that Mr. Tuckwood has done an excellent job as project manager. Mr. Rappaport also expressed appreciation for the letters regarding the project the Authority had received from Secretary of Environmental Affairs Trudy Coxe and the Massachusetts Historical Commission. Mr. Rappaport noted that the Massachusetts Historical Commission had stated in its letter that it had reviewed the design of the new terminal building and that the design appears to be sympathetic in size and scale to the surrounding neighborhood and to the Williams Street Historic District. Mr. Rappaport declared that he was confident that the project will be one of which the island will be proud and that he looks forward to the commencement of construction.

Mr. Tuckwood also reported that he had received a request from the Tisbury Department of Public Works for the Authority to donate to the Department the remaining buildings on the site, namely, the hot dog stand, the small garage, the ticket office and the restrooms. In response to questions from the Members, Mr. Fred LaPiana from the Department said that the request was only a preliminary expression of interest in the buildings and that it had not yet been formally endorsed by the Tisbury selectmen.

Mr. Rappaport stated that, to the extent that public entities have an interest in any of those buildings, the Authority would establish a process by which public entities would be given an opportunity to submit requests for them. Mr. Rappaport asked Mr. Tuckwood for guidance on the best way to proceed in this regard, and said that individuals who have an interest in any of the buildings should contact either Mr. Tuckwood or himself.

Hyannis Terminal Reconstruction Project:

Mr. Tuckwood reported that the Hyannis Terminal Reconstruction Project was similarly proceeding very well and that many of the issues which had been raised at prior meetings had been resolved. Mr. Tuckwood also reported that Mark Carmichael of the Massachusetts Highways Department was also very pleased with the process, and that HMM Associates, Inc. would be making a 75% design submission to the Department very shortly. In particular, Mr. Tuckwood stated that everyone in the project had agreed upon the boundaries between the marine and site work contract, which will be administered by the Department, and the terminal building contract, which will be administered by the Authority.

Mr. Tuckwood also reported that the Barnstable Conservation Commission, in its order of conditions for the project, has required the Authority to undertake a sediment transport study in Hyannis Harbor, for which Mr. Tuckwood was requesting prices. The Barnstable Building Inspector also has advised the Authority that, pursuant to the federal Americans with Disabilities Act, an elevator will be required in the new terminal building even though it is not required by state law.

Treasurer's Report:

Mr. Lamson reported that most of the Authority's insurance coverages were being renewed at level rates based on the Authority's favorable loss experience. In particular, Mr. Lamson stated that the Commercial Union Insurance Company had agreed to write the Authority's workers' compensation coverage on a voluntary basis rather than through an assigned risk pool. When combined with other credits and discounts, the result is that the Authority's workers' compensation insurance premium will be lower by approximately \$200,000 this year. In response to a question from Mr. Grossman, Mr. Lamson stated that he received quarterly reports on the frequency and severity of insurance claims and that those reports would be made available to the Members.

Finally, Mr. Lamson reported that the Authority's estimated net operating income for the month of May 1994 was expected to be approximately \$300,000 higher than anticipated as a result of higher revenues and lower than expected operating costs. Accordingly, for the first five months of 1994 the Authority's estimated operating loss was expected to be approximately \$580,000 lower than the amount projected in the Authority's operating budget.

1994 Late Fall and 1995 Winter Operating Schedules:

Ms. Barboza then presented the Authority's preliminary 1994/1995 Late Fall/Winter operating schedules, which, if approved by the Members, will be effective November 1, 1994 through March 15, 1995. Ms. Barboza stated that the preliminary schedules are essentially the same as last year's schedules, except that the turnaround time of the last few trips of the M/V Islander, which operates between Woods Hole and Vineyard Haven, would be shortened from one-half hour to fifteen minutes each. As a result, the last trip to Vineyard Haven on Fridays and Sundays during the Late Fall (and on Saturdays as well during the Winter) would depart at 10:00 p.m. instead of 10:45 p.m.

Ms. Barboza stated that she would be asking for the Members' approval of the schedules at their next meeting, so that the Authority can then provide the requisite public notice of the schedule changes by September 1, 1994.

Mr. Rappaport commented that the largest number of complaints he receives about the Authority's operating schedules relate to the coordination between the Authority's schedule and the schedule of Bonanza Bus Lines. Therefore, he had asked Bonanza's Executive Vice President, George Hunter, to attend the meeting to address the public's concerns in this regard. Mr. Hunter acknowledged that, in the past, there had been some problems with busses not meeting certain ferries, but that over the last two years Bonanza had worked with the Authority to better coordinate their schedules. Mr. Hunter said that more of the ferries were now being met by busses and that the only problem of which he was aware was one trip in the morning.

Mr. John Kelleher then presented a petition which he said had been signed by 41 commuters and passengers requesting that the first daily trip from Vineyard Haven be scheduled to leave no later than 6:00 a.m. In response, the Members observed that the preliminary 1994/1995 Late Fall/Winter operating schedules already provided for 6:00 a.m. trips from Vineyard Haven without hazardous cargos. The Members also questioned whether there is much demand even for the 6:15 a.m. trip which is currently the first one scheduled to leave Vineyard Haven during the summer and early fall. Both Mr. Clark and Ms. Tobin said there was not.

Mainland Police Services for the 1994 Summer Season:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to engage the services of town and state police officers to assist with traffic and crowd control at the Authority's mainland facilities during the 1994 summer season for a total amount not to exceed \$48,867, subject to such improvements as may be accomplished by the Acting General Manager.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In response to questions from the Members, Mr. Lamson stated that actual police details will be assigned only on an as-needed basis depending on weather conditions and other factors.

Renewal of the EAP Network Agreement:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to authorize the Acting General Manager to renew the existing contract with The EAP Network at the annual rate of \$14,000 through May 1, 1995 for services rendered in connection with the Authority's Employee Assistance Program, as set forth in Staff Summary #PM-148.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

CellularOne License Agreement:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to enter into a license agreement with CellularOne pursuant to which CellularOne would be granted the right to install an RF booster and antenna on the Authority's Woods Hole terminal building on the condition that CellularOne:

(a) pay the Authority \$500 per month for as long as the booster and antenna remain on the building;

(b) assume the responsibility for all costs incurred to install and maintain the booster and antenna and to secure any necessary permits and authorizations required in connection therewith;

(c) agree that the installation and maintenance of the booster and antenna shall be subject to the approval and direction of the Acting General Manager; and

(d) take such measures as the Acting General Manager deems appropriate to insure and/or indemnify the Authority against any damages and claims that could be asserted against the Authority arising out of or in connection with the installation and maintenance of the booster and antenna.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Tisbury Waterways, Inc.:

James Porter of Tisbury Waterways, Inc. then appeared before the Members to request an increase in the amount of the Authority's contribution for the study of sand accumulation in Vineyard Haven Harbor from \$2,500 to \$3,500. Mr. Porter advised the Members that the Woods Hole Oceanographic Institution had agreed to perform such a study, but that the \$12,000 fee requested by the Institution was too high. Therefore, Tisbury Waterways had obtained another proposal from Applied Marine Ecology Lab to perform a more limited study for \$7,000.

The Members expressed reservations about two aspects of Mr. Porter's request. Mr. Rappaport stated that while he was personally amenable to increasing the amount of the Authority's contribution, he felt that Tisbury Waterways should select a reliable and respected engineering firm to conduct the study only after issuing a request for competitive proposals. In this regard, Mr. Ewell stated that he would provide Tisbury Waterways with the names of the engineering firms that submit proposals for a similar study the Authority is conducting of Hyannis Harbor. Both Mr. Rappaport and Mr. Grossman also cautioned Mr. Porter that the study should determine more than simply whether the Authority's vessels contribute to the siltation. Rather, the Members felt that the study should come up with a percentage of the accretion for which the Authority is responsible and the percentages for which other sources are responsible.

Proposed Year-Round Maintenance Schedule:

Mr. Lamson reported that the M/V Katama, which was then in repair, would be used on the Martha's Vineyard run, in addition to the Authority's other vessels, on Thursday, Friday and Saturday of the Independence Day Weekend. Afterwards, it would replace the M/V Gay Head, which was then scheduled to go into repair. Mr. Lamson advised the Members that engine work would have to be done on the M/V Gay Head during this repair period, taking approximately eight weeks. Because the vessel will be unavailable during this time as a back-up vessel, in the event of an emergency or an unexpected increase in traffic, Mr. Lamson said that, if at all possible, the engine work would be scheduled to commence after the July/August Turnover Weekend.

Mr. Lamson stated that, by thus having the freight vessels in repair on a rotating basis during the summer season, the Authority hoped to reduce its overtime costs by establishing a maintenance schedule which would call for only one vessel at a time being in repair during the off-season. Mr. Lamson noted that, even with the M/V Gay Head in repair this summer, the Authority would be providing the same level of service as last year, and that the Authority's contingency plan in the event of a vessel breakdown would be to run additional trips with the other operating vessels. In future years, the Authority would attempt to perform major machine work during the off-season.

The Members agreed with Mr. Lamson's decision to establish a year-round maintenance schedule, observing that the Authority was able to handle the traffic demand last year without a third freight vessel on line. Mr. Rappaport expressed a concern that there appeared to be an increase in ridership this year, but agreed to the proposed schedule in an effort to cut costs.

Old and New Business:

Abigail Higgins then asked the Members to consider establishing a policy by which the Authority would transport unaccompanied vehicles from Martha's Vineyard to the mainland so that passengers could send their automobiles ahead and leave later at their convenience at the end of a weekend. Ms. Tobin stated, however, that there would be several problems with such a policy. In particular, Ms. Tobin noted that there was a lack of available space on earlier boats for unaccompanied automobiles, as well as a lack of space at the terminals to stage them. Mr. Kelleher also pointed out that there would be

June 16, 1994
PUBLIC MEETING
Page 8

liability issues with such a policy, and suggested that a better solution might be for enterprising individuals to start a transport business whereby they would drive cars onto the boat and then return to the island as passengers.

Mr. Ewell reported that the Town of Tisbury's park and ride transit system would be operational within the next week at the former land fill site, and that the Martha's Vineyard Transit Authority was already operating shuttle busses between the site and the Authority's Vineyard Haven terminal.

Pamela Heylin from the Oak Bluffs Council on Aging requested better cooperation from the Authority in obtaining boat reservations for elderly patrons who have off-island medical appointments. Ms. Heylin related how she is required to get up early in order to make the reservations and then receives no guarantee of being able to return to the island that same day. In response, Ms. Barboza advised the Members that she was formulating a new medical policy for the Martha's Vineyard run, and that she hoped to have it prepared in time for the Members' consideration at their next meeting.

In response to a request from Arthur Flathers, Ms. Barboza said that she would see whether a computer programming change could be made so that the Authority's Reservations Office at the Martha's Vineyard Airport would be able to issue discounted passenger tickets to senior citizens.

At approximately 5:40 p.m., Mr. Grossman asked for a motion to adjourn the meeting. The vote to do so was unanimous.

A TRUE RECORD


WILLIAM R. ANDREWS, Secretary

MINUTES

Steamship Authority

Executive Session

May 19, 1994

May 19, 1994
EXECUTIVE MEETING
Page 1

STEAMSHIP AUTHORITY MEMBERS reconvened in executive session shortly after the close of their open meeting in the conference room of the Authority's administrative offices in Woods Hole.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; and Planning and Development Manager Wesley J. Ewell.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to accept the prepared minutes of the Members' meeting in executive session on April 21, 1994, May 5, 1994 and May 16, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Falmouth Real Estate:

At Mr. Andrews' request, the Members deferred consideration of the management staff's proposed addendum to the Long Range Plan for Parking in Falmouth. With respect to any future consideration, Mr. Grossman asked that Messrs. Andrews and Kelleher be involved in any discussions with the Falmouth selectmen on this subject. Further, Mr. Grossman requested the staff to consider whether at least some of the parking and traffic problems in Falmouth could be alleviated by reducing the setback on Palmer Avenue from 100 feet to 50 feet.

Also at Mr. Andrews' request, the Members deferred any consideration at this time of Veronica Botelho's request that the Authority purchase her property at 254 Palmer Avenue in Falmouth, which abuts the Authority's Palmer Avenue parking lot.

After discussion of the foregoing real estate matters, Mr. Ewell left the meeting.

Lease with the Town of Oak Bluffs:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager:

- (1) To complete, execute and submit on behalf of the Authority the proposal attached to Staff Summary #L-152 to the Town of Oak Bluffs, offering therein a proposed Annual Base Rent Payment of \$4,250;
- (2) In the event the proposal is accepted, to execute a lease with the Town of Oak Bluffs in accordance with the terms of the proposal; and
- (3) To take all necessary and appropriate actions to fulfill the Authority's obligations under the terms of the proposal and lease.

VOTING AYE: Messrs. Grossman and Andrews
VOTING NAY: None

Mr. Rappaport did not participate in any discussion or vote concerning this matter.

Anticipated Litigation with Mark Jardin:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to authorize the Acting General Manager to execute on behalf of the Authority the Standstill Agreement with Mark Jardin in the form attached to Staff Summary #L-156.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Labor Matters:

At this time, Tom French of McKinsey & Company, Inc. joined the meeting.

May 19, 1994
EXECUTIVE MEETING
Page 3

At approximately 3:00 p.m., Mr. Grossman announced that the executive session would stand in recess until reconvened at a later date and time to be determined.

A TRUE RECORD



WILLIAM R. ANDREWS, Secretary

MINUTES

Steamship Authority

Public Meeting

May 19, 1994

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:30 a.m., in the conference room of the Authority's administrative offices in Woods Hole.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: Acting General Manager and Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Facilities Engineer John D. Tuckwood; Planning and Development Manager Wesley J. Ewell; Assistant Engineering and Procurement Manager James P. Swindler; Executive Assistant to the General Manager Maxine Horn; and Ray Martin, public information officer and recording secretary to the Members.

The Members opened the meeting by acknowledging those who were present because of their concerns about the changes in the Authority's management. The Members stated that, contrary to reports in the press, Barry O. Fuller, Sr. had not been fired. Rather, Mr. Fuller had been relieved of his responsibilities as General Manager and will continue as an executive consultant of the Authority on whom the Members and the continuing management will rely for valuable advice and assistance. The Members also stated that, while Mr. Fuller had made great improvements in the Authority over the years, implementation of the recommendations contained in the report recently issued by McKinsey & Company, Inc. will require a General Manager with additional strengths, such as a background in fiscal strength and responsibilities, as well as strong administrative capabilities. In this regard, the Members expressed their concern over budget overruns on certain projects which the Authority had experienced during Mr. Fuller's tenure as General Manager, as well as the amount of overtime worked by Authority employees.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on April 21, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Grossman inquired about the status of certain requests for information that had been made by the Members at their last public meeting and, in addition, asked for a report on what the management staff believed would be the costs of administering the ISTEA grant for the Hyannis Terminal Reconstruction Project.

Procurements:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to award Contract No. 8-94 for cleaning supplies and paper goods to the low eligible and responsible bidder, MacIsaac, at a price of \$71,149.34.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Vineyard Haven Terminal Reconstruction Project:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to amend the formal program for the Vineyard Haven Terminal Reconstruction Project by adding thereto the construction of two canopies adjacent to the loading ramps on the Authority's pier and a waterfront gazebo adjacent to the Black Dog Restaurant.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

According to Mr. Tuckwood's Staff Summary #E-408, the total cost of the canopies and gazebo, including design fees, will be approximately \$100,000. However, Mr. Rappaport noted that, subsequent to the preparation of Mr. Tuckwood's staff summary, the design of these structures had been scaled back and simplified. Therefore, the cost should be somewhat lower.

Mr. Rappaport asked the Members to defer approval of the proposed information kiosk, also referred to in Mr. Tuckwood's staff summary, pending consideration of the request by the Friends of the Seamen's Bethel to relocate the Bethel to property adjacent to the terminal.

Seamen's Bethel:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- to accept the American Legion's proposal to remove the Seamen's Bethel in accordance with the Authority's request for proposals for Contract 6-94.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

At their prior meeting on April 21, 1994, the Members voted to award the Seamen's Bethel to the American Legion unless prior to May 5, 1994 another responsible proponent, which controls the property to which it seeks to relocate the Bethel, submitted an alternative proposal that would keep the Bethel on the Vineyard Haven waterfront without utilizing any property or facilities of the Authority. In the event such a proposal was received by May 5, 1994, the Members agreed to reconsider the matter at this meeting.

On May 5, 1994, the Friends of the Seamen's Bethel submitted a proposal to relocate the Bethel on property owned by the Martha's Vineyard National Bank immediately adjacent to the Authority's Vineyard Haven terminal. As set forth in the Friends' proposal, the bank had tentatively agreed to donate sufficient land to accommodate the footprint of the building to a not-for-profit organization which it deemed acceptable and financially responsible. Further, the Trust for Public Land had agreed in principle to temporarily accept ownership of the Bethel until a suitable long term steward could be found, provided it is indemnified from all liabilities arising from the relocation and operation of the building.

In Staff Summary #E-412, both Mr. Tuckwood and Mr. Sayers raised a number of questions regarding the Friends' proposal. The management staff concluded that the proposal simply did not give adequate assurances that the Friends will be in a position to move the building by October 1, 1994, when the reconstruction of the Vineyard Haven terminal is scheduled to commence. Therefore, given the information at hand, the staff recommended that the Bethel should still be awarded to the American Legion.

On May 18, 1994, the Friends submitted a revised proposal in which the Martha's Vineyard National Bank agreed to lease, rather than deed, the land approximating the footprint of the building to the Martha's Vineyard Chamber of Commerce Charitable and Educational Foundation, Inc., provided that all necessary

zoning, health and environmental permits are received. The bank also agreed that the end user of the building could be the Martha's Vineyard Chamber of Commerce. Both the Foundation and the Chamber agreed to accept the building on those terms.

At the meeting, James Lobdell, President of the Friends of the Seamen's Bethel, spoke in support of their proposal. During Mr. Lobdell's presentation, Mr. Grossman expressed a number of concerns about the proposal, including the potential term of the bank's proposed lease, whether the Foundation would possess an option to purchase the land, how the building's proposed holding tank would be located and operated, and when the Friends would know whether they will be able to obtain all the necessary permits. In response, Mr. Lobdell stated that the Friends would probably not know for several months whether all of the permits would be issued in time for the building to be relocated by October 1, 1994.

When Mr. Rappaport said that he was surprised over the recent designation of the Foundation and the Chamber as the proposed recipients of the building, Randall F. Vega, the Foundation's President and the Chamber's Executive Director, confirmed their involvement in the proposal. Ms. Vega also stated that their plan was to move the Chamber's headquarters to the building and that they would also consider renting space to other interested organizations. In response, Mr. Rappaport noted that one of the reasons for the design of the new terminal was to minimize traffic at the intersection of Union and Water Streets, and said that he was very concerned about functions that may draw people to that site, as opposed to having the building be a visitors' center that serves people who are coming off the boats.

Both Mr. Grossman and Mr. Andrews expressed concern over the Friends' plan to drive piles for the building's foundation. Mr. Grossman questioned whether pile driving was feasible at that location during the 1994 summer season, and Mr. Andrews questioned whether the Friends would be able to obtain the necessary permits to perform the work in time, especially since the Conservation Commission could require the Friends to obtain a permit from the Department for Environmental Protection.

In response to questions from Mr. Rappaport, Kenneth Barwick, Tisbury's Building Inspector, Zoning Officer and Chairman of the Planning Board, confirmed that the relocation of the Bethel as proposed by the Friends would require a special permit from the Planning Board, and that the proposal raised a number of zoning issues regarding frontage, setback and access.

Mr. Barwick stated that the proposal raised a number of issues regarding building code compliance as well, depending on the proposed occupancy of the building. In the end, Mr. Barwick stated that it was a possibility that the Friends would receive the required permits and variances.

Mr. Barwick also provided the Members with a copy of a letter the Planning Board had received from Alma M. Stam, an abutter of the bank's property. In the letter, Mrs. Stam expressed her strong objections to locating the Bethel on the that property, stating that there was not sufficient land for the building without blocking her access and view.

Henry Burt, Senior Vice Commander for the American Legion Post in Vineyard Haven, also criticized the Friends' proposal, stating that he did not feel the Friends had met the terms of the Members' prior vote, since they still did not control the property where they were proposing to relocate the Bethel. Frederick W. Thifault, the Legion's Commander, emphasized that the Legion was already the owner of the property where the Legion was proposing to relocate the Bethel, and that the Legion had already contacted the movers and utility companies and did not foresee any problems. However, Mr. Thifault emphasized that any further delay by the Members would be a detriment to the Legion's ability to move the Bethel before October 1994.

In response to further questions from Mr. Rappaport, Tisbury Selectman Cora Medeiros declared that the Tisbury Board of Selectmen had unanimously voted to urge the Members to award the Bethel to the Legion. Tisbury Selectman Elizabeth Wild stated that they had so voted because the Friends' proposed site for the Bethel raised a number of issues and questions which probably cannot be answered in the requisite timeframe, and that they were concerned about the impact that any delay would have on the reconstruction of the Vineyard Haven terminal, which they considered to be not only an important asset to the entire island, but particularly to the Town. Ms. Wild also said that, even if the potential delay were not a concern, there were some issues about this particular site that are in direct conflict with the Town's master plan for the harbor.

Also in response to questions from Mr. Rappaport, Messrs. Sayers and Tuckwood again recommended that the Bethel be awarded to the Legion, noting the number of complications that still surrounded the Friends' proposal and the substantial possibility that the Friends will not get all of the necessary permits in time for the Authority to commence reconstruction of the terminal on October 1, 1994. Messrs. Sayers and Tuckwood agreed

that the Legion possessed a far greater demonstrated ability to fulfill its obligations.

After Mr. O'Brien moved to award the Bethel to the Legion, Mr. Rappaport stated that, although his preference was to have the Bethel stay on a waterfront location, he had to acknowledge that the Town had spoken through its Board of Selectmen to have the Bethel awarded to the Legion, and that no other Town board had taken a position on the matter. In these circumstances, Mr. Rappaport said that he had to defer to staff reports and the Town Selectmen, both of whom had taken the position that any problems the Friends may have obtaining the necessary permits to relocate the Bethel must not interfere with the construction schedule for the new terminal.

American Express:

At the request of Rip Creekmore, the Manager of Regional Sales for American Express, the Members deferred until at least September 1994 any consideration of accepting American Express' proposal for the Authority to accept its card for customer transactions.

Mr. Lamson stated that acceptance of American Express' proposal would cause the Authority's credit card service charges to increase by approximately \$45,000 per year based upon current volume levels and that, under those circumstances, the management staff could not recommend acceptance of the proposal at this time. Mr. Grossman also stated that he was not overly convinced by the figures that had been presented by American Express, and noted that the Nantucket Chamber of Commerce had recently expressed similar unhappiness with the company due to the same concerns that had been expressed by the Authority. In response, Mr. Creekmore said that he viewed American Express as a revenue builder during the off season, not as an additional expense, and that he would appreciate the opportunity to discuss the subject further with Mr. Lamson before presenting the proposal to the Members again in September.

Oak Bluffs Dockage Facilities Agreement:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to execute the Dockage Facilities Agreement with SeaSpirit Cruise Lines, Inc. in the form attached to Staff Summary #L-155, as amended by Mr. Sayers' memorandum on this subject dated May 11, 1994, for overnight berthing of the M/V SeaSpirit at the Authority's Oak Bluffs wharf facilities during the 1994 summer season.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Vessel Valuation and Condition Surveys:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. O'Brien -- to authorize the Acting General Manager to enter into an agreement with Marine Safety Consultants, Inc. for vessel valuation and condition surveys as set forth in Staff Summary #E-410.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Vineyard Haven Terminal Island Information Booth:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to allow the Tisbury Business Association's request to continue using the garage located on the Authority's Vineyard Haven Terminal property as an "Island Information Booth" for the 1994 summer season in the same manner as last year.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Grossman emphasized that the Authority was allowing the Tisbury Business Association to use the garage only on the condition that it vacate the premises by September 30, 1994, so that the Authority can commence its reconstruction of the Vineyard Haven Terminal.

Tisbury Off-Site Parking Lot:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the payment to the Town of Tisbury for the purpose of constructing and operating a municipal park and ride lot an amount not to exceed \$49,482, with specific direction to Messrs. Ewell and Tuckwood to examine the cost estimates provided by the Town to see to what extent that expenditure can be reduced, with the particular view that all labor is to be provided by the Town wherever practicable and, further, to suspend the expenditure of money on the island traffic study to be conducted by the Martha's Vineyard Commission that was approved at the Authority's prior meeting on April 21, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

As set forth in Mr. Ewell's Staff Summary #PD-94-04, the Town of Tisbury is in the process of developing a municipal park and ride transit system, which will entail the conversion of a former landfill site to a parking lot and the provision of shuttle service between the lot and the Authority's Vineyard Haven terminal, as well as other points in Tisbury. At their Town meeting, Tisbury residents appropriated money for the Town to develop the property and subsidize the shuttle service, which is to be operated by the Martha's Vineyard Transit Authority. In a letter dated May 13, 1994, as revised on May 18, 1994, the Tisbury Planning Board requested that the Authority also contribute up to \$49,482 for site improvements to the parking lot, such as sand hardner, methane gas venting and monitoring equipment, fencing, signs, a pedestrian shelter and lighting.

After Tisbury Planning Board Chairman Kenneth A. Barwick spoke in support of the request, Mr. Rappaport expressed his view that there is a clear need for long term parking in Vineyard Haven and that he felt it was the Authority's responsibility to assist and work with the Town on this project. Mr. Rappaport also reminded the Members that in the certificate on the Authority's Environmental Notification Form for the Vineyard Haven Terminal Reconstruction Project, Secretary Trudy Coxe had referred to the Town's efforts to develop a remote parking facility and had stated that she expected the Authority to work with the Town to see this plan through to completion.

Mr. Rappaport also noted that the Town was requesting only a one-time contribution from the Authority and that, once the contribution was made, the Authority's obligation to assist with the project would be at an end. The payment would also make it unnecessary for the Authority to acquire and operate its own off-site parking lot on the island, for which \$500,000 already had been included in the 1994 capital budget, although it had not yet been individually approved.

In response to concerns expressed by Mr. Grossman as to whether the primary users of the parking facility will be Authority patrons, Mr. Barwick assured the Members that the schedule for the shuttle busses will correspond to the Authority's boat schedule, and that there will be enforcement of parking regulations in the Town to encourage use of the lot. Further, Mr. Barwick stated that the Authority will be allowed to use the lot to stage vehicles during busy summer weekends. Jackie Cage, Tisbury's representative on the Martha's Vineyard Transit Authority, also stated that preliminary studies indicated that the majority of the users of the lot will be Authority patrons, and that the Transit Authority will collect data over the summer to verify this.

In light of the impact which the parking lot may have on the island's traffic situation, Mr. Rappaport acknowledged that the Authority probably should suspend any expenditures on the island traffic study that is to be conducted by the Martha's Vineyard Commission, as approved by the Members at their prior meeting on April 21, 1994. Mr. Rappaport stated that he would ask the Members to reconsider those expenditures in September 1994 after the Authority receives the statistics of the usage of the lot during the 1994 summer season.

Nantucket Bus Stand Agreement:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to authorize the Acting General Manager to execute a Nantucket Bus Stand Agreement with Barrett's Tours, Inc., in the form attached to Staff Summary #L-157, provided that the agreement is revised to allow the Contractor the privilege of maintaining only two sightseeing bus stands instead of three.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Old and New Business:

Mr. Grossman, noting that the Authority's patrons are often confused when they disembark the Authority's vessels as to where taxi cabs are located and luggage is to be unloaded, asked the management staff to look into the possibility of installing better graphics at the various terminals.

Vineyard Haven Terminal Reconstruction Project:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to further amend the program for the Vineyard Haven Terminal Reconstruction Project by adding thereto the construction of an information kiosk in the northwest corner of the site.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Mr. Rappaport stated that, in light of the anticipated relocation of the Bethel to the American Legion's property, he felt there would be a need for some type of small information facility at the reconstructed Vineyard Haven Terminal. Mr. Rappaport also assured the other Members that the kiosk would not be staffed by Authority employees, but rather by community organizations such as the Tisbury Business Association.

Old and New Business:

In response to questions from the press and the public, the Members stated that Mr. Fuller was not reassigned solely on the basis of the McKinsey report, although the report was a factor in their decision. The Members also commended McKinsey & Company, Inc. for undertaking such an objective, independent and comprehensive study on a pro bono basis, and expressed their gratitude for the outstanding work the firm had done.

The Members declared that the best interests of the future management of the Authority required that some changes be made in Mr. Fuller's assignments and in his position as General Manager. It is their belief that implementation of the McKinsey recommendations will require a General Manager with a strong emphasis on fiscal and financial strength and responsibility. The Members also stated that, assuming the implementation of the McKinsey recommendations, they did not anticipate having to impose any significant fare increases.

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PUBLIC MEETING
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Authority employee John Ford respectfully requested the Members to continue to implement and support the creative, effective and successful efforts of Mr. Fuller, and stated that the unlicensed division of seamen collective stood ready to support Mr. Fuller in his new position.

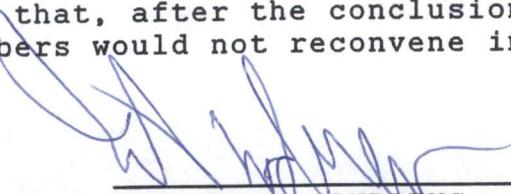
Authority employees William Austin, Lou McBride and John Kopas declared that Mr. Fuller had created the best working relationship between union and management that they had ever experienced with the Authority, and asked whether the Members would consider reinstating Mr. Fuller as General Manager. In response, the Members, while acknowledging their appreciation for the employees' support of Mr. Fuller, stated that reconsideration of their decision was not a possibility. However, the Members also said that Mr. Fuller's new responsibilities might specialize in any of a number of areas where the Members or the Acting General Manager or the next General Manager may see fit to call upon him, and that they will all be very reliant upon Mr. Fuller's advice and counsel.

IT WAS VOTED -- to go into executive session for the purpose of discussing real estate, litigation, collective bargaining and other labor related matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD


WILLIAM R. ANDREWS, Secretary

MINUTES:

Steamship Authority

Public Meeting

April 21, 1994

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STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:30 a.m., in the conference room of the Authority's administrative offices in Woods Hole.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: General Manager Barry O. Fuller, Sr.; General Counsel Steven M. Sayers; Facilities Engineer John D. Tuckwood; Planning and Development Manager Wesley J. Ewell; Marketing and Service Planning Manager Diane M. Speers; Executive Assistant to the General Manager Maxine Horn; and Ray Martin, public information officer and recording secretary to the Members.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared minutes of the Members' meeting in public session on March 9, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- to approve the prepared minutes of the Members' meeting in public session on April 5, 1994.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Procurements:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to delegate to the General Manager the power to award minor contracts for recognized professional services, as set forth in Staff Summary #L-149, provided that such services are already provided for in the budget.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In Staff Summary #L-149, Mr. Sayers recommended that the Members delegate such authority to the General Manager, provided that the fees charged for such services do not exceed \$5,000 per month or, in the aggregate, \$50,000 per year and, provided further, that the General Manager be required to submit a statement to the Members by the fifteenth day of each month describing all payments made the previous month under said contracts, which statement is to be attached to the official minutes of the following Authority meeting.

Mr. Grossman suggested, and the other Members agreed, that the recommendation be amended so that the General Manager's authority would apply only to items already approved in the budget. Mr. Grossman also requested a quarterly report of all expenses from the computer service bureaus.

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- to award Contract No. 5-94 for three million thermal tickets to the low eligible and responsible bidder, Globe Ticket and Label Company, at a price of \$30,832.00.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- to rescind the previous award of Contract No. 3-94 and then to award Contract No. 7-94 for the purchase of one new portable changeable message sign to the low eligible and responsible bidder, American Winkomatic Sign/Signal, Inc., at a price of \$19,900.00.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In response to questions from the Members, Mr. Sayers stated that the award of Contract No. 3-94, which was also for the purchase of one new portable changeable message sign, had to be rescinded because the sign offered by the company that had been awarded the contract, American Winkomatic Sign/Signal, Inc., had not met the minimum specifications set forth in the request for proposals. Nevertheless, after evaluating the sign offered by American Winkomatic, management determined that it would fully satisfy the Authority's needs. Therefore, new

specifications were drafted so that they would be met by American Winkomatic's sign as well as the signs offered by the other bidders for Contract No. 3-94. The contract was then readvertised as Contract No. 7-94 and American Winkomatic was again the low bidder.

Hyannis Terminal Reconstruction Project:

Mr. Tuckwood reported that the Authority was working with District 5 of the Massachusetts Highways Department to determine whether the Hyannis Terminal Reconstruction Project legally could be split into two contracts, one for the marine and site work and another for the new terminal building. In response to questions from Messrs. Beach and Murphy, Mr. Tuckwood stated that if the project could be split into two contracts, the contract for the marine and site work would be completely handled by the Massachusetts Highways Department, which would write the contract, advertise it and then award it from its Boston office at its own expense. As a result, the Department was estimating that it might cost the Authority only five to ten percent of the \$2,000,000 ISTEA grant to comply with the additional legal requirements imposed as a result of accepting that grant.

Mr. Grossman expressed his concern over the increasing amount of design fees pertaining to the project, which he noted were already at least \$150,000 above the budgeted figure, and asked Mr. Tuckwood how much more in additional overruns the Authority was going to incur before the construction contracts are awarded. Mr. Tuckwood said that he would prepare a separate report for the Members on that subject.

Mr. Fuller reported that the Authority had received a certificate from the Secretary of Environmental Affairs, Trudy Coxe, on the Authority's Final Environmental Impact Report (Final EIR) with respect to the project, in which Ms. Coxe stated that the Authority's Final EIR adequately and properly complied with the Massachusetts Environmental Policy Act. Mr. Grossman noted two errors on the certificate (one pertaining to the number of allowed daily trips and another pertaining to the Authority's right to berth a freight vessel at the secondary slip) and asked management to make certain that those errors were corrected.

Vineyard Haven Terminal Reconstruction Project:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the floor plans and elevation drawings attached to Staff Summary #E-404 for the new Vineyard Haven terminal building, subject to minor modifications.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Fuller reported that the Authority had received the certificate from Trudy Coxe, the Secretary of Environmental Affairs, on the Environmental Notification Form that the Authority had filed for the Vineyard Haven Terminal Reconstruction Project, and that Ms. Cox had determined that the project would not require the preparation of an Environmental Impact Report.

Mr. Rappaport stated that Ms. Coxe's certificate was a tribute to everyone who has been involved with the project, beginning with his predecessor, E.B. Collins, and including Messrs. Tuckwood and Ewell, the persons who served on the Designer Selection Board and the three members of the public who were asked by Mr. Rappaport to work with him informally on the project. After reading extensively from the certificate, Mr. Rappaport concluded by stating that the Authority had engaged in an unprecedented level of public participation and that he was confident that the end product will be one which the Vineyard will embrace and be proud of.

In response to a question from Mr. Grossman, Mr. Tuckwood stated that the design drawings could still be modified after their approval, but that such changes would cost money. Mr. Rappaport also noted that only cosmetic modifications were being considered and that no changes to the floor plans were being proposed.

Harriet Barrow of Tisbury Waterways asked the Members who would assume the financial responsibility for the water quality and anti-pollution efforts referred to by Ms. Coxe in her certificate, namely, routine water quality testing and the maintenance of drainage catch basins equipped with sediment sumps, gas traps and oil absorbent pads. Mr. Tuckwood assured Ms. Barrow that the Authority would maintain the catch basins, as it does in Woods Hole and Hyannis, but that he would have to check with the Authority's engineers to find out who would be conducting the water quality testing.

Seamen's Bethel:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to accept the American Legion's proposal to remove the Seamen's Bethel in accordance with the Authority's request for proposals for Contract 6-94, effective May 5, 1994, unless:

(a) prior to May 5, 1994 another responsible proponent submits to the Authority an alternative proposal that would keep the Bethel on the Vineyard Haven waterfront without utilizing any property or facilities of the Authority; and

(b) the proponent controls the property to which it seeks to relocate the Bethel.

AND, FURTHER, in the event such a proposal is submitted by May 5, 1994, to issue another request for proposals from proponents controlling property on the Vineyard Haven waterfront for the relocation of the Bethel to their property without utilizing any property or facilities of the Authority, and to decide at the Authority's May 19, 1994 meeting whether to accept the American Legion's proposal or a proposal submitted in response to this new request.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Mr. Fuller reported that, as a result of the Authority's advertisement of its request for proposals for the donation of the Seamen's Bethel, the Authority had received several written proposals prior to the advertised deadline of April 5, 1994, as well as an additional proposal after the deadline. Mr. Fuller stated that the proponents had been invited to the meeting to make short presentations in support of their proposals, and Mr. Grossman limited those presentations to five minutes each.

Henry Burt, Senior Vice Commander for the American Legion Post in Vineyard Haven, spoke in support of the American Legion's proposal. Mr. Burt stated that the Bethel's present configuration lends itself perfectly to the Legion's expansion needs and that his organization has a use for every room in the building. Mr. Burt also stated that the only change to the Bethel would be its location; the building would remain the same outside and much of the same inside. Mr. Burt declared that if the Bethel were donated to the Legion, its continued destiny

would be one of a highly historic building used not only seasonally but all year round in serving the community.

Mr. Rappaport acknowledged that he had received a petition that day containing about 250 signatures from residents of Tisbury supporting the Legion's proposal. Mr. Rappaport stated that he also had received a letter from Cora Medeiros who, as an individual and as the Tisbury representative of the Goldberg Trust Committee, expressed her support for the Legion's proposal as well.

Woody Bowman, Associate Director of FOCUS (Fellowship of Christians in Universities and Schools), spoke in support of his organization's proposal. With him was Simon Barnes, FOCUS' Executive Director. Mr. Bowman stated that if the Bethel were donated to FOCUS, it would utilize the building on its property off Lambert's Cove Road in West Tisbury as part of its inter-denominational ministry for two purposes, namely, religious purposes and community service. Thus, the Bethel's historic use would continue as a place for worship, fellowship and service.

Miles Carpenter, a resident of Tisbury and a member of a group known as the Friends of the Bethel, stated that his group's principal objective was to see that the Bethel remains as part of the Vineyard Haven waterfront at some location, and that it would be sacrilege to move the historic building totally out of the Town of Tisbury. Mr. Carpenter stated that his group was dedicated to working in cooperation with the other proponents and that they were working on a plan that would provide the American Legion with the building it needs and The Nathan Mayhew Institute with the space it needs at no cost to the taxpayers of Tisbury. However, Mr. Carpenter stated that to do so they needed two weeks time to get the details in place.

In response to a question from Mr. Grossman, Mr. Rappaport noted that the Friends of the Bethel had not submitted a proposal by the advertised deadline of April 5, 1994, but that he had subsequently received a letter from the group addressed to the Selectmen of the Town of Tisbury and the Authority's Members identifying four possible locations for the Bethel on the Vineyard Haven waterfront and asking for a 30 day extension within which to submit a proposal.

Al Daniels spoke in support of the proposal submitted by The Nathan Mayhew Institute. With him was Frank Brunelle, the President of the Institute's Board of Directors. Mr. Daniels stated that the Institute was interested in obtaining the Bethel in order to continue its maritime traditions of being a "home away from home" for seamen and being used for maritime courses

that are taught at the Institute. Mr. Daniels stated that if the Bethel were donated to the Institute, it would be used in much the same way as it has been used in its prior life, with the upstairs continuing to be used as living accommodations and the downstairs for classrooms.

After the presentations were completed, Mr. Rappaport noted that from the inception of the planning for the new Vineyard Haven terminal, the Authority's position has been steadfast in declaring that the Bethel has no place in the design of the reconfigured terminal and would not remain on Authority property. Mr. Rappaport also stated that he felt the Authority had followed an exemplary process in attempting to decide how best to dispose of the Bethel, and that he was grateful to the American Legion, The Nathan Mayhew Institute and FOCUS for coming forward, recognizing the historic nature of the Bethel, and seeking to find a home for it.

Mr. Rappaport then stated that, in his judgment, the American Legion's proposal was the best of all the proposals that had been submitted in compliance with the Authority's advertised request, and that he based what he described as a difficult decision on the civic use which the Legion has dedicated itself and continues to dedicate itself, as well as the widespread support in the community for the Legion's proposal. Mr. Rappaport declared that he was confident that the Legion would make good public and civic use of the building.

Nevertheless, while Mr. Rappaport acknowledged that it might not be fair to the Legion, he felt the Authority had a higher mission to do what is right for the community and the public interest in finding the best solution and location for the Bethel. For this reason, Mr. Rappaport thought that the Authority had an obligation to give the Friends of the Bethel the brief opportunity they were seeking to find a place for the building on the Vineyard Haven waterfront while at the same time providing the Legion and The Nathan Mayhew Institute with the facilities they need. Mr. Rappaport also stated that, in arriving at this decision, he was relying particularly on the quality of the people who were making the request, Miles Carpenter and Ralph Packer, both of whom have given a great amount of their time voluntarily to the community and the terminal reconstruction project itself.

Police Services:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the contracts attached to Staff Summary #OPS-013 for police services at the Authority's Vineyard Haven and Oak Bluffs terminals during the 1994 summer season, but to defer approval of police details for the Authority's mainland facilities.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Before approving any police details for the Authority's mainland facilities, the Members requested further information regarding the cost and schedules of those details. The Members also asked whether contracts for the mainland details could be negotiated in advance in a more formal manner instead of paying for the details on an as-needed basis. Mr. Rappaport commended Vineyard Haven Terminal Manager Robert Clark for his excellent job in negotiating the island contracts with the Tisbury and Oak Bluffs police departments.

Nantucket Dockage Facilities Agreement:

IT WAS VOTED -- to authorize the Chairman to execute the Dockage Facilities Agreement with Hyannis Harbor Tours, Inc., in the form attached to Staff Summary #MSP94-9, for overnight berthing of the M/V Cross Rip at the Authority's Nantucket wharf facilities during the 1994 summer season.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

License Agreement with CellularOne:

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to defer consideration of the proposed license agreement with CellularOne pending further investigation of the subject by management.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

The Members asked Mr. Sayers to check the market to see what cellular telephone companies are paying to use other locations for similar boosters and antennas. In this regard, Richard Sherman suggested that the Authority might want to discuss the matter with Arthur Dixon to find out what NYNEX is paying to have an antenna installed on the Methodist Church in Vineyard Haven.

Mr. Grossman also asked Mr. Sayers to see whether it would make more sense to enter an agreement with CellularOne whereby that company would provide free cellular telephone service between the Authority's Operations Department and the vessels, which service would then take the place of the proposed dedicated radio communications system that has not yet been approved.

Island Traffic Studies:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to contribute up to \$30,000 to the Martha's Vineyard Commission for the purpose of partially funding a proposed traffic study on the island of Martha's Vineyard, provided that:

(a) the study will be structured and conducted in such a manner to involve the Falmouth Town Planner so that benefits will be realized from the study for both communities;

(b) work on the study will be coordinated with, and approved by, Mr. Ewell before any payment is made by the Authority; and

(c) the cost of the study will be charged to the Martha's Vineyard service instead of being charged to the Authority's general overhead.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Fuller reported that both the Executive Director of the Martha's Vineyard Commission, Chuck Clifford, and the Planning Director of the Nantucket Planning and Economic Development Commission, Alan Gordon, had been invited to attend the Authority's meeting to outline their respective proposals for island traffic studies. Although Mr. Gordon was unable to attend, Mr. Clifford was present with David Wessling, one of the Martha's Vineyard Commission's traffic planners.

Mr. Clifford stated that the proposal by the Martha's Vineyard Commission to conduct a traffic study had been drawn up to assist with planning for anticipated future traffic and the impact which that traffic may have on Martha's Vineyard. Mr. Clifford noted that all parties needed to address early on where traffic saturation points may exist and to determine how they may best be mitigated. Mr. Clifford stated that the Commission's proposal also provided an opportunity to look at the issue of satellite parking on the island, to determine whether such parking is necessary and can be done efficiently, and to identify who its users may be.

Mr. Beach advised the Members of a previous conversation he had with Mr. Gordon, who similarly had asked the Authority to partially fund a traffic study for the island of Nantucket. Mr. Beach stated that when he asked Mr. Gordon what benefit such a study would provide to the Authority, Mr. Gordon's response was that if traffic were improved on Nantucket as a result of the study, more people might be willing to take their cars to Nantucket and the Authority would therefore make more money.

Mr. Grossman spoke against Nantucket's participation in any island traffic study, since he felt that prior studies on Nantucket had been exercises in futility and a waste of money. As a result, Mr. Grossman stated that he would not be in favor of the Authority approving such contributions to the islands for this purpose at this time.

Mr. Andrews stated that the Falmouth selectmen had expressed their desire to be part of any traffic study undertaken by the islands.

Mr. Rappaport stated that he felt the Authority had an obligation to work with the planning agencies of its respective communities to address in a coordinated fashion traffic issues across the board. Specifically, he said he would appreciate their advice on whether limitations on the Authority's service should be placed during certain times of the day or certain times of the year when traffic problems exist. He also welcomed their advice on what role the Authority can best play with respect to long term parking needs.

Woods Hole/Falmouth Parking Permits:

The Members declined to reconsider the fee charged for the year-round Woods Hole/Falmouth parking permits.

Mr. Sayers reported that the Authority's parking permit program was operating quite smoothly as a result of the policy that was implemented by the Members last year, and that this year the Authority was offering a new off-site permit at a reduced price for persons who are unable to obtain a Woods Hole permit. Mr. Sayers stated that the only issue he was asking the Members to address was the price of the permit. In November 1993, as part of the Authority's 1994 overall rate adjustments, the Members approved a fee increase for the Woods Hole permit from \$400 to \$450 and approved the fee of \$375 for an off-site permit. Mr. Sayers stated that the two Vineyard members of the Vineyard/Falmouth Parking Committee had requested that the Members reconsider those fees and lower them by \$25.

Messrs. Grossman and Andrews, however, agreed with the Treasurer's recommendation that the prices be maintained as they were approved in 1993. That was also the unanimous recommendation of the Finance Advisory Board. Mr. Kelleher stated that he did not think the Members should take the time to revisit this issue that was decided six months ago, and that larger policy issues needed to be discussed. Mr. Murphy also was of the opinion that there are very few people who actually depend on a Woods Hole parking space for a living.

Mr. Rappaport stated that he was of a mixed mind on the subject. On the one hand, the Members voted on the fee six months ago and the amount at issue was small. In addition, the reason for the increase was to make certain that there would be no increases in freight tariffs and to give special rates for recyclables and agricultural and fisheries products generated on the islands. Mr. Rappaport also noted that a large percentage of the 450 Woods Hole permit holders do not live on the Vineyard year-round and that they were getting the benefit of the already low fee of \$450 when it costs the Authority \$700 per space per year to operate the Woods Hole parking lots. Mr. Rappaport was concerned about the Authority subsidizing such a benefit for persons other than year-round islanders. Therefore, although he stated that he was sympathetic to the request, he realized that he would be outvoted on this issue.

American Express:

Mr. Fuller reported that the Authority had received a revised proposal from the American Express Company for the Authority to accept its card for customer transactions. Present at the meeting on behalf of American Express were Rip Creekmore and Tim Stanken.

At Mr. Creekmore's request, the Members agreed to defer consideration of American Express' proposal until their meeting on May 19, 1994 so that American Express could provide additional information to the Members regarding certain questions, concerns and issues that had recently been brought to Mr. Creekmore's attention.

Mr. Rappaport, noting that he had consistently voted against acceptance of the American Express card the previous year, said that he had a number of specific questions about the proposal that he would like to direct to the Authority's Treasurer, who was on vacation. Nevertheless, Mr. Rappaport stated that what he has found attractive about American Express' proposals is the company's promotion of the off-season.

Mr. Grossman acknowledged that he was the only Member who supported American Express last year, and that he did so even though he did not receive requested information about how much business was transacted on American Express cards by island stores. Mr. Creekmore said that this year the information would be provided.

Mr. Rappaport also stated that he has been operating under the assumption that the Authority has not lost one customer because it does not accept the American Express card, and that he would like to know whether American Express had any information to the contrary. In response, Mr. Stanken acknowledged that the Authority was not going to lose business by not carrying American Express. However, he felt the question more appropriately was whether more business could be gained by bringing the card on board, with the resources that American Express can provide.

In response to a question from Mr. Grossman regarding whether any portion of the marking support allowance referred to in the proposal would redound directly to the Authority in any way, Mr. Creekmore stated that a portion of those funds would be earmarked directly for the Authority and that money would also be budgeted for working with the Cape and the islands as a whole.

Mr. Andrews noted that last year, as a member of the Finance Advisory Board, he was opposed to accepting the American Express card, and that he was still opposed until somebody convinces him otherwise.

Old and New Business:

In response to a suggestion from Mr. Rappaport, Mr. Fuller stated that he was working with the Authority's Port Captain/Operations Manager, John Crocker, and the Woods Hole Terminal Manager, Kevin Smith, to provide recyclable facilities on the Authority's vessels and at its terminals to recycle patrons' cans and newspapers.

Mr. Andrews stated that he wanted to go on record once again that the Authority must prepare a five-year capital plan for the Woods Hole terminal.

During a discussion of the Authority's ability to berth a freight vessel overnight at the Hyannis terminal after construction of the second slip, Mr. Fuller told Amy Callahan that he would provide her with information regarding how much money the Authority paid to the Woods Hole Oceanographic Institution to berth vessels at its facilities this past winter.

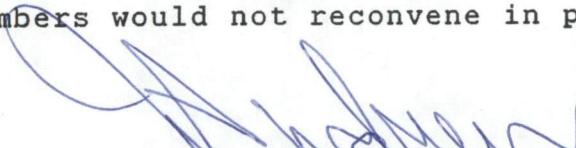
In response to a question from Susan Shephard, Mr. Grossman stated that the Authority would have nothing to report to the public regarding the management study by McKinsey & Company, Inc. at least until the end of May.

IT WAS VOTED -- to go into executive session for the purpose of discussing real estate and labor related matters.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD


WILLIAM R. ANDREWS, Secretary

meeting

MINUTES:

Steamship Authority Members'
Public Meeting
of April 5, 1994 at Woods Hole

April 5, 1994
PUBLIC MEETING
Page 1

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:48 a.m., in the conference room of the Authority's administrative offices in Woods Hole.

Present were three of the four Members: Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present was Falmouth Member Paul R. Kelleher of the Finance Advisory Board.

Management present: General Manager Barry O. Fuller, Sr.; Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Facilities Engineer John D. Tuckwood; Hyannis Terminal Manager James Rubino; and Ray Martin, public information officer and recording secretary to the Members.

Also present were John Keenan and Antonia Kenny of Keenan + Kenny, Architects, Ltd., the architectural firm providing design services with respect to the new Hyannis terminal building.

Recognized in the audience were Paul Anderson (news reporter for the Cape Cod Times); Falmouth residents Susan Shephard and Margaret Cornman; and West Tisbury residents Mr. and Mrs. James Rothschild.

Mr. Rappaport began the meeting by announcing that Chairman Bernard D. Grossman of Nantucket was unable to attend because fog had caused the cancellation of all flights from Nantucket this morning. Mr. Rappaport presided over the meeting in Mr. Grossman's absence. There was only one item on the agenda.

Hyannis Terminal Reconstruction Project:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- to accept the most recently revised first floor, second floor and west elevation plans for the new Hyannis terminal building, dated April 1, 1994, subject to minor revisions pertaining to the vestibule on the southwest corner of the building's first floor.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

In presenting the revised plans, Mr. Tuckwood advised the Members that the Massachusetts Highway Department, which will be administering the \$2,000,000 ISTEA grant for the project, had informed him the previous Friday that the Authority will be required to submit its complete package of architectural and engineering drawings by July 30, 1994. Therefore, although Mr. Tuckwood acknowledged that some minor changes in the floor plans, such as the location of the vestibule, will have to be addressed in the future, he was seeking approval of the plans at this time so the Authority could meet its various deadlines.

Mr. Tuckwood also advised the Members that Hyannis Terminal Manager James Rubino agreed with the building's layout as set forth in the plans.

In response to questions from Mr. Rappaport, Mr. Tuckwood stated that the size of the building was now a little more than 6,600 square feet. He also stated that the Massachusetts Highway Department had suggested dividing the project into two contracts, one for the marine work and another one for construction of the building. The Department then would apply the \$2,000,000 ISTEA grant to the marine contract and would be responsible for administering that contract, including preparing the appropriate contract documents, advertising the contract and awarding it. The Department also intends to hire its own resident engineer. Mr. Tuckwood said that he thought it would cost 30% of the \$2,000,000 to comply with the additional legal requirements imposed as a result of accepting the grant and to have the Department administer the contract, but that he and Mr. Lamson were meeting with the Department the next day and would report back to the Members with more information at the April 21, 1994 meeting. At that time, Mr. Tuckwood also hopes to present the plans for the proposed maintenance building for the Members' approval.

Mr. O'Brien expressed some concern over problems that might arise as a result of dividing the project into two contracts, thereby having two contractors in a confined area on the same site at the same time. Mr. Tuckwood stated that this issue was one which he intends to address with the Department.

Before entertaining a motion to accept the plans, Mr. Rappaport reported that he had spoken by telephone that morning with Mr. Grossman, who indicated that, although he had a couple of minor concerns which can be addressed a later point, he approved of the plans and hoped the other Members would vote favorably on them that day.

April 5, 1994
PUBLIC MEETING
Page 3

At approximately 10:10 a.m., Mr. Rappaport accepted Mr. Andrews' motion to adjourn. The vote to do so was unanimous.

A TRUE RECORD

WILLIAM R. ANDREWS, Secretary

meeting

MINUTES:

Steamship Authority

Public Meeting

March 9, 1994 - Woods Hole

March 9, 1994
PUBLIC MEETING
Page 1

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 8:30 a.m., in the conference room of the Authority's administrative offices in Woods Hole.

Present were all four of the Members: Chairman Bernard D. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were all three Members of the Finance Advisory Board: Norman F. Beach of Nantucket; Robert C. Murphy of Dukes County; and Paul R. Kelleher of Falmouth.

Management present: General Manager Barry O. Fuller, Sr.; Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Facilities Engineer John D. Tuckwood; Planning and Development Manager Wesley J. Ewell; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area news reporters, Captain Robert Buckley and Falmouth residents Susan Shephard, Margaret Cornman and Richard Sherman were recognized in the audience.

Mr. Grossman opened the meeting by welcoming Mr. Kelleher and congratulating him on being appointed the new Falmouth Member of the Authority's Finance Advisory Board. Mr. Grossman also congratulated Mr. Beach on being unopposed for another term as the Nantucket Member of the Finance Advisory Board.

Minutes:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to accept the prepared minutes of the Members' meeting in public session on January 20, 1994.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to accept the prepared minutes of the Members' meeting in public session on February 17, 1994.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Bills:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- to pay an invoice in the amount of \$1,550.36 from Carter Browne Consulting Services, Inc. for work performed on the Reservations System during the month of February 1994.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to pay an invoice in the amount of \$2,276.00 from Van Riper Associates for work performed on the Accounting System during the month of February 1994.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

In response to questions from the Members, Mr. Fuller confirmed that Carter Browne Consulting Services, Inc. and Van Riper Associates are involved in ongoing programming changes pertaining to the vehicle bill project, and that he did not anticipate an end to their services in the near future. Mr. Fuller also confirmed that, as requested by the Members at a previous meeting, prior to going forward with any new computer programming projects, management will present those projects to the Members for their consideration.

Request for Proposals:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to award Contract No. 3-94 for the purchase of one new portable changeable message sign at a price of \$19,899.00 to the low responsible and responsive bidder, American Winkomatic Sign/Signal, Inc.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

As stated in Mr. Tuckwood's Staff Summary #E-403, which was provided to the Members, over the past years the Authority has leased a portable variable message sign and placed it on

Route 28 in West Falmouth to direct vehicular traffic to the Authority's various parking lots. With the success of the sign, management felt it would be cost effective to purchase a sign rather than to continue to lease one during the summer months. Mr. Lamson reported that in the past it had cost the Authority approximately \$2,100 per month to rent such a sign.

In response to a question from Mr. Andrews, Mr. Fuller stated that, as soon as the Authority received a permanent permit for the sign from the State Highway Department, it would be hardwired so the neighbors would no longer be disturbed by the sign's engine noise.

Hyannis Terminal Reconstruction Project:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to accept the most recently revised site plan for the Hyannis terminal, entitled "Modified Alternative D" and dated March 7, 1994, with the understanding that:

(1) the footprint of the terminal building would be reduced as voted on by the Members at their February 17, 1994 meeting; and

(2) management would use its best efforts to work out an arrangement so that automobiles and trucks will not have to be backed up in order to be staged.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Mr. Tuckwood presented the Members with copies of the most recently revised site plan, entitled "Modified Alternative D" and dated March 7, 1994, which proposes moving the truck staging area farther east on the site between the terminal's entrance and exit lanes onto South Street and away from abutting property owned by the Skende family. Mr. Tuckwood reported that, at a meeting the prior week among himself, Thomas Mullen from the Town of Barnstable, the Authority's engineers and Messrs. O'Brien and Fuller, all involved had agreed that this new plan represented the best use of the site in a manner that both satisfied the Town's concerns and should satisfy the concerns expressed at the Authority's meeting last month by Mr. Skende.

Mr. O'Brien stated that this plan is probably the best resolution of all of the issues raised by both Mr. Skende and the Town, and is about as far as the Authority can go to satisfy Mr. Skende's concerns.

Mr. Grossman and Mr. Murphy expressed concerns about one aspect of the site plan, namely, that the staging of both trucks and automobiles would entail backing up the vehicles into place. Noting the delay and inconvenience that such backing up and turning would cause, they suggested that management undertake more study on that aspect of the plan.

The Members also advised Mr. Tuckwood that they wanted to be able to review the proposed architecture of the maintenance shed, which will be located on the waterfront of the site.

Mr. Tuckwood reported that management is still working on making modifications to the interior floor plan of the proposed Hyannis terminal building, and that hopefully a revised plan containing those modifications would be presented to the Members for their approval at the April 1994 meeting. Mr. Tuckwood advised the Members that approval of the floor plan would be necessary at that time so that the construction contract can be advertised for bid sufficiently in advance of the deadline for receiving ISTEA funds.

At this time, Mr. Grossman took the opportunity to compliment the new public address system that has been installed on the M/V Eagle. He noted that at last the messages coming over the speakers could be understood. He also noted that he had received compliments as well about the food service, and stated that the Authority's Captains also deserved compliments for their ability to maneuver in the fog around the slip in Hyannis Harbor.

Disposition of the Seamen's Bethel:

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Andrews -- to approve the prepared Request for Proposals for the Donation of the Seamen's Bethel, Contract No. 6-94.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Mr. Tuckwood presented the Members for their approval a request for proposals from organizations or individuals interested in acquiring the Seamen's Bethel, which is currently located at the Authority's Vineyard Haven terminal. Mr. Tuckwood stated that several organizations had expressed interest in obtaining the Bethel and that management felt the most fair thing to do was to advertise the building's availability.

The approved request for proposals states that proposals, which must be received by 10:00 a.m. on April 5, 1994, will be evaluated on the basis of the best civic use of the building with regard to historic use, location and maritime tradition. The request also states that the successful proponent will be required to assume all costs and responsibility for removing the building from the Authority's property and that the Authority will pay \$20,000 to the proponent upon completion and suitable site cleanup. The building will be available in the Fall of 1994.

Mr. Tuckwood stated that the \$20,000 amount was based upon an estimate by Hanscomb Associates, Inc. on what it would cost the Authority to dispose of the building. The estimate was \$24,000, but included a cost to remove the building's foundation, which the Authority will still be required to do after the building is removed.

Treasurer's Report:

Mr. Lamson reported that on March 7, 1994 the Authority received six bids for the sale of \$2,900,000 of bond anticipation notes. The Martha's Vineyard National Bank submitted the lowest bid, with a net interest cost of 2.86% for \$500,000 of the notes, and Fleet Securities, Inc. submitted the second lowest bid, with a net interest cost of 2.8788%. Accordingly, \$500,000 of the notes will be sold to Martha's Vineyard National Bank, and the remaining \$2,400,000 to Fleet Securities, Inc., in accordance with the note resolution that the Members adopted at their February 17, 1994 meeting. The proceeds of the notes will be used to pay previously issued bond anticipation notes which are due on March 11, 1994. The new notes will be due on November 30, 1994.

Island Traffic Studies:

At Mr. Grossman's suggestion, the Members agreed to defer discussion until their April 1994 meeting about whether the Authority should contribute money to partially underwrite traffic impact studies on the islands of Nantucket and Martha's Vineyard. Mr. Rappaport stated that he had asked Chuck Clifford, the Executive Director of the Martha's Vineyard Commission, to make a presentation to the Members at that time.

Mr. Grossman noted that ISTEA funds may be available to the towns for the express purpose of conducting research, traffic and planning studies, and that the planning director of Nantucket had those funds very much in mind. Mr. Grossman also noted that there were no profits from the sale of the Uncatena and that there might be some very valid questions about the Authority using current operating funds for these purposes.

Mr. Andrews observed that the Falmouth selectmen have taken the position that the Authority should be required to study traffic in the Falmouth area. Therefore, Mr. Andrews insisted that whatever the Authority does in this respect on the islands, it should also be done in Falmouth, and that the Authority should be prepared to move forward to conduct traffic impact studies in Falmouth within the next six months.

Mr. Beach stated that the Finance Advisory Board would like to see the financial advantage that would accrue to the Authority as a result of contributing money for this purpose, since the existence of such an advantage is a legal requirement for any such contribution.

Mr. Rappaport declared that, for the reasons he stated at the Authority's July 1993 meeting in Nantucket, he feels that contributing to community traffic impact studies is one of the most important places where the Authority should be putting its money right now.

The Members also asked Mr. Lamson for a report on how much the Authority has spent directly or has contributed to its constituent towns for traffic and planning studies.

Woods Hole Five-Year Capital Plan:

With respect to the Woods Hole five-year capital plan, Mr. Ewell provided the Members with an outline of the planning process for the Woods Hole terminal, which also listed amounts spent on the terminal since 1988. Essentially, Mr. Ewell

reported, management recognizes the need to make changes to the Woods Hole terminal, but is presently occupied with the Hyannis and Vineyard Haven terminal reconstruction projects. Attention will be turned back to Woods Hole as soon as those other projects are completed.

Mr. Grossman asked the General Manager to furnish the Members prior to the next meeting with copies of the minutes of management's long range planning sessions since their inception.

Mr. Andrews, noting that the Woods Hole terminal building is hopelessly outdated and that the neighbors are concerned about what the Authority's plans are with respect to replacing it, requested that Mr. Ewell provide the Members with a report prior to the next meeting stating that the Authority will be preparing a plan and when it will be available.

Mr. Rappaport also noted that there is a deadline to when this plan has to be implemented, since the Members voted to move the Reservations Office to Mashpee for a five-year period only and that thereafter all of the Authority's administrative offices should be centralized in Falmouth.

Agreement for Interim Lunch Counter Concession:

Mr. Sayers then asked the Members for direction with respect to what categories of food service equipment they feel should be owned by the Authority as opposed to the Authority's lunch counter concessionaire. Mr. Sayers reported that currently the Authority owns all fixed or permanently fastened equipment, such as refrigerators and freezers, and that the concessionaire generally owns the portable trade fixtures and movable equipment, such as microwave ovens and soup warmers.

The Members agreed with Mr. Murphy's statements that the Authority should continue to own major equipment items such as refrigeration units, but should not purchase smaller items whose popularity could rise and fall within a year's time. Mr. Murphy stated that a new concessionaire probably would not want to buy that type of equipment from a former concessionaire and that, in any event, it probably would not stand up very well, depending upon how well the concessionaire takes care of it. The Members, however, expressed their willingness to listen to future proposals from the concessionaire about possibly replacing or adding a particular item of equipment if it would improve the menu or the service.

Out-of-State Travel:

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Andrews -- that the General Manager should represent the Authority at a recognition dinner being held by the United States Propeller Club for U.S. Representative Gerry Studds in Washington, D.C. on April 26, 1994.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Mr. Fuller stated that, in view of the tremendous support the Authority has received from Representative Studds, he felt it would be appropriate for the Authority to be represented at that function.

Old and New Business:

At Mr. Grossman's suggestion, the Members officially wished the General Manager a happy vacation in Florida.

In response to a question from Mr. Murphy, Mr. Fuller reported that the Authority was planning on having the M/V Sankaty go into line service on March 15, 1994 when the Authority begins its Spring schedule. Mr. Lamson reported that, as of the end of February 1994, the cost of the vessel is approximately \$3,300,000 without taking into account approximately \$300,000 to \$400,000 of fringe benefits. Mr. Fuller stated that the vessel will have primary lifesaving equipment for 300 persons. In response to questions from the press and the public, Mr. Fuller stated that the M/V Sankaty's sea trials were successful and that its speed will be about the same as the other two freight vessels.

Mr. Andrews asked Mr. Ewell to answer a letter he had received from Linda Simmons inquiring about why there is no train service to Falmouth. Mr. Andrews also asked Mr. Ewell to contact whomever is in charge of rail service and for the purpose of encouraging them to provide such train service, especially in light of the fact that so much public money has been spent rebuilding the track beds, bridges and the railroad depot. Mr. Andrews stated that in a couple of months he would like to have a written report on what has been done by the Authority to encourage public transportation so that he could provide it to the Falmouth Selectmen.

Mr. Rappaport asked if the Members could be provided with a list of persons (other than Authority employees) who receive passes for free transportation on the Authority's vessels.

Larry Enos, representing the Tisbury Taxi Association, asked the Members whether he could have a copy of the most recent site plan that has been prepared in connection with the Vineyard Haven terminal reconstruction project. Both Mr. Rappaport and Mr. Tuckwood assured Mr. Enos that he did have the most recent site plan. Mr. Rappaport also assured Mr. Enos that he was aware of the taxi association's concerns regarding the location of taxis on the site and that those concerns will be kept in mind.

Mr. Grossman passed along for the record several letters he had received complimenting the Authority. One letter was from Tony Yates, who owns the gas company on Nantucket, about the wonderful service provided by the Authority this past winter; another letter complimented the great courtesy received from the Authority's crews in assisting a disabled passenger on several trips to Massachusetts General Hospital; and the third letter was from Nantucket truckers complimenting Kevin Smith on his personal services and diligence to duty and courtesy.

IT WAS VOTED -- on Mr. Andrews' motion, seconded by Mr. Rappaport -- to go into executive session for the purpose of discussing personnel, litigation and real estate matters.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

At approximately 9:40 a.m., Mr. Grossman stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD

WILLIAM R. ANDREWS, Secretary

MINUTES :

Steamship Authority Members'
Public Meeting
Of Feb. 117th/94 at Woods Hole

FILE COPY

STEAMSHIP AUTHORITY MEMBERS met in the Authority's Woods Hole conference room in public session beginning at 9:30 a.m., this date. Their open meeting, it was announced, would be followed by an executive meeting.

In the Chair was Nantucket Member Bernard D. Grossman. The three other Members attended also: Vice Chairman Ronald H. Rappaport of Dukes County; Secretary William R. Andrews of Falmouth; and Associate Secretary Robert L. O'Brien of Barnstable.

Norman F. Beach of Nantucket and Robert C. Murphy attended as Finance Advisory Board members. The Authority was awaiting the selection of a Falmouth delegate, by the Falmouth Board of Selectmen, to fill temporarily the position vacated by Mr. Andrews when he was elevated to Member by Falmouth selectmen.

Management personnel present: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Reservations/Customer Services Manager Gina Barboza; Authority Counsel Steven M. Sayers; Facilities Manager John D. Tuckwood of Maintenance/Engineering; and Ray Martin, public information officer and recording secretary to the Members.

Four area newswriters were in the audience of 32. Identifiable were: Dukes County Commissioner Elizabeth Lima Bryant; Tisbury Selectman Cora Medeiros; a four-person delegation from Boston Concessions Group; a six-person delegation of Tisbury taxicab drivers and owners; John Keenan and Charles Natale of HMM Inc.; Mrs. Frances Weiffenbach, Mrs. Susan Shepherd and Mrs. Ivor Cornman of Falmouth/Woods Hole; and Richard Sherman of Falmouth as well as Gary Fauteux of Tisbury.

Woods Hole Terminal Manager Kevin Smith attended as did Captains Edward Jackson and Robert Buckley and Chief Engineers Joseph Skatoff and Lee Rand.

The public agenda:

- 1: Minutes of Dec. 27th/93
- 2: Action on bills--\$1,690.36 to Carter Browne (Boston) re computer aid
--\$2,444.75 to Van Riper Associates (Hanson) re computer aid
- 3: Report on major projects:
 - on Hyannis project
 - on M/V SANKATY
- 4: Report of the Treasurer:
 - on refunding \$2.9 million bond anticipation note
 - on free transportation
 - on current finances

(more)

Public meeting agenda (cont'd.):

- 5: Report of the General Manager:
--on 1994 Headstart program
--on vessel food service
- 6: Old/new business

MR. GROSSMAN announced an executive session was planned to follow the open meeting so as to discuss real estate matters, personnel matters and trade union negotiations.

ITEM #1 (minutes):

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to approve the public minutes of the Members' Dec. 27th meeting.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

ITEM #2 (bills):

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to pay an invoice submitted by Carter Browne Consultants (Boston) in the sum of \$1,690.36 for computer servicing and programming during January.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

IT WAS ALSO VOTED to pay an invoice submitted by Van Riper Associates (Hanson) for \$2,444.75 also for computer system maintenance and services during January. Motion was put by Mr. Rappaport, seconded by Mr. Andrews.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

(Marketing/Service Planning Manager Diane M. Speers was thanked for her written report on the effectiveness of present contracting-out of computer services rather than taking on in-house programming capabilities. Her conclusion: "At our present level of software expenditures, outsourcing appears to remain the most cost-effective method of service..."

(Members agreed with the Chairman: the subject should be back on the agenda "for further study" in March.)

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ITEM #3 (reports on major projects):

On Hyannis terminal reconstruction:

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to approve a footprint for the planned Hyannis terminal building which eliminates from most recent plans interior footage set aside as a food service area (including space allotted for persons awaiting food service).

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

Members rejected the management recommendation that they approve the most recently designed floor plan and planned interior and authorize proceeding with final design of the planned two-level passenger terminal building that will showcase the proposed reconstructed Hyannis terminal.

Project Manager John D. Tuckwood was directed to see to it that design engineers (HMM Inc.) produce a more scaled-back design for consideration at the March public meeting.

Today's presentation by Mr. Tuckwood (part of File #E-401, dated Feb. 14th) was, he said, a reduction of 470 square feet from drawings shown the Members at their January meeting. It was in January that Members determined the food service area be eliminated.

The Nantucket Member, Mr. Grossman, contended the terminal must have adequate space and interior shelter for Nantucket-run passengers who, generally, face longer waits than do travellers on shorter runs to and from Martha's Vineyard.

Members were unanimous in voicing themselves on the need to further reduce construction costs.

On Vineyard Haven terminal reconstruction:

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to approve the broadly-endorsed site plan for a redesigned Vineyard Haven terminal and to authorize proceeding to the preliminary design phase.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

Wrote Project Manager John D. Tuckwood in his File #E-402: "This plan

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has been presented in public on three separate occasions on the Island, in the Town of Tisbury. In general, comments received have been positive and very supportive of the site plan.

"The Vineyard terminal managers have endorsed this plan as a tremendous improvement for traffic flow and separation of vehicular and pedestrian separation."

Mrs. Cora S. Medeiros of the Tisbury Board of Selectmen verified Mr. Tuckwood's summation of Island leadership and public support for the "Central Terminal Alternative".

She then turned to the Seamen's Bethel which rests at the terminal's center and is due for demolition or removal. Speaking as president of the Island Goldberg Trust Committee, Mr. Medeiros asked that the Authority's record carry her appeal:

"As president of the Island Goldberg Trust Committee, we propose that the Seamen's Bethel be given to the Boston Friends Society which sold it to the SSA for \$245,000; that it be removed from its present site to their one-acre piece of property in Tisbury.

"This site is on the east side of the sailors' burial ground. There to serve as a home to the collection of memorabilia of past sailors; the second floor would be available to mariners who need lodging and the sailors' burial ground could be expanded to serve those who need a final resting place.

"The SSA does not wish to destroy this lovely old building and has offered to pay for its removal.

"The \$600 per month rental fee paid by the Boston Friends Society for its place of ministry on the beach road could be used for the Bethel's upkeep. They would have a fitting abode for the mariners it is charged to serve and Harriet Goldberg's bequest of monies to serve the sailors of Martha's Vineyard would return to the Island to serve us rather than the Boston area..."

Cosigning the appeal were trust committee members Fred Morgan of Edgartown, Captain Fred Bennett of West Tisbury, Louis Larsen of Chilmark, David Vanderhoop of Gay Head and Douglas Stiple of Oak Bluffs.

On M/V SANKATY:

The General Manager reported that Coast Guard-supervised sea trials

(more)

are SANKATY's next important phase, to be followed shortly by final certification which will determine the vessel's passenger capacity. Mr. Fuller said the authorized capacity likely will fall between 300 and 500.

To a question on cost (purchase price plus reconstruction to date), the Treasurer said \$3.2 million--\$3.5 million if the cost of fringe benefits for Maintenance/Engineering employees is factored in.

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

On bond refunding:

IT WAS VOTED--on Mr. Lamson's recommendation, moved by Mr. Rappaport, seconded by Mr. Andrews--to authorize the Treasurer/Comptroller to issue and sell \$2.9 million in bond anticipation notes on a competitive basis to refund current notes payable March 11th.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

(Notes coming due were issued last March 11th to acquire and reconstruct M/V SANKATY and to make the final payment on property now part of the Hyannis terminal area.)

On complimentary transportation:

IT WAS VOTED--as recommended by management--that the present policy of complimentary transportation covering town or county officials and employees travelling on official business be continued except, effective July 1st, the policy will no longer extend to State police or the Dukes County Sheriff's Dept. in its transportation of prisoners.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

(Before the Members was Mr. Lamson's staff summary A-317, dated Feb. 10th. It harkened to the late 1970s when the program was put together, aimed at helping Island town and county officials with their transportation budgets.

(It was reported that the Commonwealth will remunerate State police for all travelling expenses as well as county sheriffs' departments when the travel involves movement of prisoners.)

(more)

On new business (bond refinancing):

At their Dec. 27th meeting, Members approved a bond resolution to refund up to \$15 million in outstanding bonds and to empower Mr. Lamson to make refunding decisions on a timely basis.

The Treasurer reported the transaction took place yesterday. He said the pricing and negotiated sale of some \$12 million in refunding bonds "went very well. Merrill Lynch was the sole underwriter. The rate scale ranged from four percent in 1998 to 5.3 percent in the years 2011 and 2012."

Mr. Lamson put the value of savings from this refinancing at over \$435,000, most of which will be realized over the next three years.

On current finances:

Mr. Lamson reported that 1993 ended with an unaudited net operating income of \$1,585,000 on revenues that totalled \$34,930,000.

It marks the 11th consecutive year the Steamship Authority has not had an operating loss.

Deloitte/Touche auditors currently are examining the Authority's books and likely will issue their report in mid- or late-March.

ITEM #6 (Report of General Manager Barry O. Fuller):

On 1994 Headstart Program:

Customer Services/Reservations Manager Gina Barboza reported 44,189 spring-summer-early fall reservations were made during the opening days of Headstart at Island reservations centers. That's up from 42,361 reservations completed in the same time frame last year.

In addition, 12,657 reservations have been logged by telephone over the first 12 days phonecalls for reservations were accepted following the on-Islands Headstart Program.

"It looks like another good year," Ms. Barboza said.

Especially praised was a lottery scheme introduced for the first time as a way to eliminate long lines, often through cold early morning hours.

On vessel food service:

Officials of Boston Concessions Group were present to describe their

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Public Meeting
Page 7

first three months' experience operating lunchcounters aboard Steamship Authority vessels and outlining improvements they intend to make to appeal to the some 2.3 million persons who travel Authority vessels each year.

Boston Concessions Group was asked by Members to take on the food service responsibility last Nov. 18th. The firm did so beginning that same day.

ITEM #7 (old/new business):

--The Falmouth Member, Mr. Andrews, thanked the General Manager for meeting his request of last month for "a supplemental report on the SANKATY. It was very helpful."

--Mr. Andrews also said he'd like to see a five-year plan "on just where we're going with the Woods Hole terminal building. I keep getting asked and I'd like to be able to tell the Falmouth selectmen something when we meet next month."

--Victor Skendy of New Hampshire, whose mother resides alongside the Hyannis terminal, was present to urge a change in planned truck movement and parking at the terminal. He said the trucks are much too close to his mother's home. Members asked management to continue discussions with the Skendy family and try to meet their concerns.

AT 12:18 p.m., Mr. Grossman accepted Mr. Andrews' motion to end the public meeting and to go into executive session to discuss personnel, labor relations and real estate matters. The vote to do so was unanimous.

A true record

WILLIAM R. ANDREWS, Secretary


RAY MARTIN, Recording Secretary
Submitted March 3rd/94

MINUTES:

Steamship Authority Members'
Public Meeting
Of Jan. 20th/94 at Woods Hole

FILE COPY

Jan. 20th/94
Public Meeting
Page 1

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:30 a.m., in the conference room of the Authority's headquarters building in Woods Hole with Bernard D. Grossman in the Chair.

Mr. Grossman was beginning his 12th consecutive year as Nantucket Member following service on the Finance Advisory Board since late 1976.

Alongside Mr. Grossman were Vice Chairman Ronald H. Rappaport of Dukes County, Secretary William R. Andrews of Falmouth and Associate Secretary Robert L. O'Brien of the Town of Barnstable.

For Mr. Andrews, it was his first meeting as Member for Falmouth. His appointing authority, the Falmouth Board of Selectmen, elevated him to Member from his elected position on the Finance Advisory Board.

Two members of the Finance Advisory Board were present: Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County. Falmouth selectmen indicated they'd name a temporary replacement for Mr. Andrews in coming weeks, likely in time for the Members' February public meeting.

Management in attendance: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Planning Manager Wesley J. Ewell; John D. Tuckwood and James P. Swindler of Maintenance/Engineering; Staff Counsel Steven M. Sayers; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area newsreporters, recognizable in the audience of 15 persons were: Mr. and Mrs. James Rothschild of West Tisbury; John Keenan of HMM Associates; Gary Fauteux of CORD (Cape Organization for the Rights of the Disabled); Captains James Hocking and Robert Buckley; Teamster Members Mark Glavin, Robert Sylvia and John Kennedy of Maintenance; Donald Clauson of the parking division; John J. Ford of North Falmouth; Mrs. Susan Shepherd and Mrs. Ivor Cornman of Falmouth/Woods Hole; and Raymond Sanborn, Richard Sherman and Dr. Charles Johnson of Falmouth.

THE PUBLIC AGENDA:

- 1: Action on minutes of Dec. 27th/93
- 2: Action on bills
- 3: Action on bids/proposals
- 4: Report on major projects
- 5: Report of Treasurer Wayne C. Lamson
- 6: Old/new business

(more)

Mr. Grossman told the audience that an executive session was intended on completion of the public meeting. Subjects to be discussed, he said, included litigation, real estate and personnel matters--each properly a subject for discussion in a closed meeting.

Mr. Grossman welcomed Mr. Andrews to his first public meeting as Member for Falmouth and...

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. O'Brien--that Mr. Andrews hold the post of Secretary on the 1994 board.

VOTING AYE: Messrs. Grossman and Rappaport
VOTING NAY: None

AND IT WAS VOTED--on the suggestion of the Chairman, moved by Mr. Rappaport, seconded by Mr. Andrews--that the Steamship Authority express its appreciation in a letter to Robert A. Sayers for the three years "of dedicated service" he gave the Authority and the Town of Falmouth as the town's delegate to the Authority's policy-making board.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

With that, Members turned to the regular public agenda:

ITEM #1 (Minutes):

Mr. Andrews said he hadn't had a chance to read the prepared minutes of the Members' public meeting of Dec. 27th. It was agreed to put the subject over to the February public meeting.

ITEM #2 (bills):

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to pay Van Riper Associates (Hanson, MA) \$5,117.50 and Carter Browne Consulting (Boston) \$1,509.83 for computer work carried out during November and December.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

The Chairman made the point--and Members agreed--that, henceforth, there should be "double approval for any proposed computer changes by somebody other than the person in charge of the Computer Department and that the

(more)

approval be in writing prior to the authorization for Van Riper or Carter Browne to go forward."

Mr. O'Brien suggested "a long look at this whole thing...what is spent and whether somebody (a programmer) on staff might be the way to go."

ITEM #3 (bids/proposals):

IT WAS VOTED--as recommended by management, moved by Mr. Rappaport, seconded by Mr. Andrews--that Northeast Graphics (North Haven, CT) be awarded the contract to print the Authority's 1994 color brochure for \$31,221 (including warehousing and freight shipment).

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

The contract was advertised in area weeklies as well as dailies (Cape Cod Times, Boston Globe, New Bedford Standard Times and Providence Journal). Forty-two firms sought bid packages; seven competed for the award.

Prices sought ranged to \$62,450, from Northeast's low bid.

ITEM #4 (report on major projects):

On Hyannis terminal reconstruction:

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to defer for another month any consideration of management's request to authorize proceeding with the final design of Hyannis terminal reconstruction, based on cost estimates and design by HMM Associates.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

John D. Tuckwood of Maintenance/Engineering (voted the Authority's official representative on the Hyannis terminal reconstruction project in September 1992) included in his report that (a) the final Environmental Impact Report is to be submitted Jan. 31st and (b) HMM's most recent estimate at construction cost is \$4,656,000.

The estimated cost, he said, "is the fifth revision and is the end result of many meetings, discussions and considerations to keep this project within budget." The estimated cost, he added, doesn't include any contingency costs nor does it consider Federal funding (reportedly \$2 million).

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Mr. Tuckwood stressed these points: (1) The current revision complies with the agreement reached with the Town of Barnstable and keeps the building's footprint; (2) the current revision eliminates the truck scale and envisions an increased capacity of the transfer bridges; (3) the landscaping budget is reduced by \$98,000 but trees will remain a feature in the parking area; and (4) the promenade deck is eliminated and in its place is an eight-foot-wide concrete strip around the property's perimeter.

All Members were unanimous: another concerted effort must be made to reduce rebuilding costs, specifically in the proposed new terminal building itself. Each agreed the proposed restaurant area must be eliminated. A second-floor conference room could be made smaller, they said.

Mr. Beach of the Finance Advisory Board read a statement for the record:

"We would like to raise for reconsideration the matter of installing lunchroom facilities in the new Hyannis terminal. We have been criticized in various quarters for the extent and the expense of the proposed Hyannis installation.

"In our opinion, the lunchroom is an unnecessary expense and will add unwanted complications to the management of the facility in terms of space requirements, food purchase, handling and storage, and garbage disposal. You will be told that it is already included in the completed architectural plans and that it is just a small percentage of the total cost. These are specious arguments. Plans can be changed before construction starts and we do not spend percentages, we spend dollars."

On Vineyard Haven terminal construction:

Mr. Tuckwood holds a similar Authority role in planned construction at the busy port of Vineyard Haven as he holds at Hyannis: working with design engineers, noting comments at public hearings to better meet the wishes of Vineyard residents and businesses.

"The process we have followed--involving the public at all times--has been going very well," said Mr. Tuckwood.

The next step, he said, was to proceed with preliminary designs and, by mid-February, be prepared to submit an Environmental Notification Form (ENF), hoping a full Environmental Impact Report will not be necessary.

Mr. Rappaport has been the engine behind the terminal building pre-construction program, said Mr. Tuckwood, and the way that program has been presented in various communities for Island public comment and support. Of three project design alternatives, overwhelming support has emerged for the "central terminal" concept. Tisbury's Board of Selectmen also voted in favor of the "central terminal."

(more)

So positively have meetings with the public and Island selectmen gone, said Mr. Rappaport, that a tentative special meeting of Authority Members on the Island, set for Feb. 3rd, is no longer necessary.

On M/V SANKATY:

The Chairman made the point that twice today questions about capital budgeting have been raised--first on terminal construction at Hyannis, now on the SANKATY. He suggested (and Members agreed) that management should set up "working sessions at which Members and the finance board have an opportunity to participate and discuss our whole capital budgeting program."

Mr. Grossman's suggestion came during review of "a comprehensive report" on SANKATY's purchase and conversion, prepared by James P. Swindler, assistant manager of Engineering/Procurement.

Mr. Swindler's report (16 pages plus backup data) covered a full year: from SANKATY's purchase in January 1993 (\$500,000) from Federal authorities to its being towed from Louisiana to Jacksonville, FL where it went into a shipyard for necessary work before the long journey under tow to American Shipyard at Newport, RI. American Shipyard was chosen as low bidder to perform a large amount of work before the vessel rehabilitation project was turned over to the Maintenance/Engineering force at Woods Hole.

Mr. Swindler wrote: "The SANKATY project has been an unusual one, from start to finish," pointing out its acquisition and first seven months of reconstruction occurred while Maintenance/Engineering's primary focus was on construction of the new MARTHA'S VINEYARD in Florida.

"Throughout this project," Mr. Swindler wrote, "I think we have learned many valuable lessons and suffered many embarrassing moments--but there is no doubt in my mind that this was a wise investment and the SANKATY, a true passenger/freight vessel, will serve us well."

ITEM #5 (Report of the Treasurer):

IT WAS VOTED--at the request of the Treasurer-- to authorize the transfer of \$695,000 from the bond redemption account to the replacement fund to pay, in part, additional costs related to the SANKATY's conversion. Mr. Rappaport so moved, seconded by Mr. Andrews.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

(more)

On "free transportation policy":

The policy--adopted by the Members in late 1974 to help local governments (on the Islands and in Falmouth) reduce their travel expenses--has expanded through the years but, said the Treasurer, is "not subject to any widespread abuse". Therefore, he said, management recommends the program should continue.

Members agreed with the policy's spirit of cooperation with surrounding community governments but, because the policy has expanded over nearly two decades, wanted to give more thought to streamlining the program, perhaps by the February public meeting.

Mr. Lamson said management re-examined the policy at the Members' request following the Finance Advisory Board's recent recommendation that the policy be abolished.

Mr. Lamson put the value of such "free transportation" during 1993 at \$66,198.49--a bare \$1.12 increase over the previous year.

On Capitalization Policy:

IT WAS VOTED--on the Treasurer's recommendation, moved by Mr. Rappaport, seconded by Mr. Andrews--to revise or amend the Authority's Capitalization Policy, effective Jan. 1st, 1994, as follows:

1: The capitalized cost of any new, self-constructed capital project started after January 1, 1994, shall include those cost elements generally considered to be part of the direct labor cost. These costs would include wages, payroll taxes, the cost of fringe benefits and workers' compensation insurance, that can be specifically identified and traced to the construction of this asset; and

2: The minimum capitalization threshold shall be \$5,000. For group purchases, the minimum capitalization limit shall be established at \$10,000.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

Though not part of the main motion, Mr. Lamson said he could take into account the suggestion voiced by Mr. O'Brien (with which Members agreed), that the policy indicate that expenditures that increase the life of an asset by five years or more be capitalized. In the policy (dated 2/25/92)

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it states that..."when a unit is substantially rebuilt, significantly extending the life, the rebuilding cost should be capitalized as an addition to the unit."

Mr. O'Brien's suggestion (readily accepted by the Treasurer and the Members) would read in the above paragraph: "When a unit is substantially rebuilt, extending its life by five or more years, the rebuilding cost should be capitalized..."

On amendment to bond resolution:

IT WAS VOTED--as Mr. Lamson requested--that the bond resolution voted by the Members in public meeting on Dec. 27th/93, be amended to conform with the Commonwealth's recently issued "Debt Policy Statement" which covers all Commonwealth general obligation bonds, including those of the Steamship Authority, as explained in the Treasurer's staff summary A-315, dated Jan. 14th.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

The Authority, by vote of the Members, planned the refunding of some \$10 to \$12 million in outstanding bonds sometime during the first quarter of 1994. It was left to Mr. Lamson to pick the date of new issuance--a time most advantageous to the Authority in terms of bond interest rates.

Mr. Lamson said, after meeting with State Administration and Finance officials, it was pointed out that "...the Authority should have an open process for procurement of underwriting and other financial services, in accordance with the Commonwealth's newly issued Debt Policy Statement."

He pointed out he had intended using BayBank Boston as underwriter for the refunding bonds. Now, he said, "on the advice of Palmer & Dodge, our bond counsel, we are in the process of soliciting proposals for the selection of an underwriter. This process is expected to take approximately two weeks."

The amendment voted today would authorize Mr. Lamson to select an underwriter through an open, competitive process.

On current finances:

The Treasurer reported that, while the books on 1993 haven't yet been fully closed, it would appear the Steamship Authority ended the year

(more)

with a net operating income of between \$1.5 and \$2 million on revenues of almost \$35 million. Net income, he said, would include the loss of some \$500,000 on the December sale of M/V UNCATENA.

ITEM #6 (old/new business):

Members agreed with a request of Mr. Andrews that a subject on the executive agenda (rental of Falmouth High School property for parking purposes during the summer of 1994) be deferred to the February meeting.

Mr. Andrews said he has not yet had a chance to discuss the leasing--for yet another summer--of school property with his appointing authority. That will be done before the Members' February meeting, Mr. Andrews said.

On another subject, Mr. Murphy of the Finance Advisory Board asked for a report on the vehicle-carrying capacity of the new MARTHA'S VINEYARD. He said he'd been told the vessel is carrying "significantly fewer" automobiles than the M/V NANTUCKET after which the MARTHA'S VINEYARD was patterned.

Mr. Murphy also said he'd heard "rumors" the new vessel may have to be returned to the shipyard in Jacksonville, FL for various repairs and replacements.

Mr. Swindler of Maintenance/Engineering said he's also heard "all sorts of rumors about the vessel having to go back to Jacksonville." But, he said, "it's all fiction."

Said the General Manager: "Marine Log, which is the bible of the marine industry, features the MARTHA'S VINEYARD on its latest cover as the distinctive passenger vessel of 1993. This may not mean much to a lay person but to those of us in the industry, this is like winning the Oscar."

She's also featured in two other major marine industry magazines, said Mr. Fuller.

AT 11:03 a.m., Mr. Grossman accepted a motion to end the public meeting and to reconvene in executive session. The vote to do so was unanimous.

A TRUE REPORT

WILLIAM R. ANDREWS, Secretary


RAY MARTIN
RAY MARTIN, Recording Secretary
(Revised, resubmitted Feb. 18/94)

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MINUTES:

Steamship Authority Members
Public Meeting
Of Jan. 20th/94 at Woods Hole

FILE COPY

STEAMSHIP AUTHORITY MEMBERS met this day, beginning at 9:30 a.m., in the conference room of the Authority's headquarters building in Woods Hole with Bernard D. Grossman in the Chair.

Mr. Grossman was beginning his 12th consecutive year as Nantucket Member following service on the Finance Advisory Board since late 1976.

Alongside Mr. Grossman were Vice Chairman Ronald H. Rappaport of Dukes County, Secretary William R. Andrews of Falmouth and Associate Secretary Robert L. O'Brien of the Town of Barnstable.

For Mr. Andrews, it was his first meeting as Member for Falmouth. His appointing authority, the Falmouth Board of Selectmen, elevated him to Member from his elected position on the Finance Advisory Board.

Two members of the Finance Advisory Board were present: Norman F. Beach of Nantucket and Robert C. Murphy of Dukes County. Falmouth selectmen indicated they'd name a temporary replacement for Mr. Andrews in coming weeks, likely in time for the Members' February public meeting.

Management in attendance: General Manager Barry O. Fuller; Treasurer/Comptroller Wayne C. Lamson; Planning Manager Wesley J. Ewell; John D. Tuckwood and James P. Swindler of Maintenance/Engineering; Staff Counsel Steven M. Sayers; and Ray Martin, public information officer and recording secretary to the Members.

In addition to area newsreporters, recognizable in the audience of 15 persons were: Mr. and Mrs. James Rothschild of West Tisbury; John Keenan of HMM Associates; Gary Fauteux of CORD (Cape Organization for the Rights of the Disabled); Captains James Hocking and Robert Buckley; Teamster Members Mark Glavin, Robert Sylvia and John Kennedy of Maintenance; Donald Clauson of the parking division; John J. Ford of North Falmouth; Mrs. Susan Shepherd and Mrs. Ivor Cornman of Falmouth/Woods Hole; and Raymond Sanborn, Richard Sherman and Dr. Charles Johnson of Falmouth.

THE PUBLIC AGENDA:

- 1: Action on minutes of Dec. 27th/93
- 2: Action on bills
- 3: Action on bids/proposals
- 4: Report on major projects
- 5: Report of Treasurer Wayne C. Lamson
- 6: Old/new business

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Mr. Grossman told the audience that an executive session was intended on completion of the public meeting. Subjects to be discussed, he said, included litigation, real estate and personnel matters--each properly a subject for discussion in a closed meeting.

Mr. Grossman welcomed Mr. Andrews to his first public meeting as Member for Falmouth and...

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. O'Brien--that Mr. Andrews hold the post of Secretary on the 1994 board.

VOTING AYE: Messrs. Grossman and Rappaport
VOTING NAY: None

AND IT WAS VOTED--on the suggestion of the Chairman, moved by Mr. Rappaport, seconded by Mr. Andrews--that the Steamship Authority express its appreciation in a letter to Robert A. Sayers for the three years "of dedicated service" he gave the Authority and the Town of Falmouth as the town's delegate to the Authority's policy-making board.

VOTING AYE: Messrs. Grossman, Rappaport and Andrews
VOTING NAY: None

With that, Members turned to the regular public agenda:

ITEM #1 (Minutes):

Mr. Andrews said he hadn't had a chance to read the prepared minutes of the Members' public meeting of Dec. 27th. It was agreed to put the subject over to the February public meeting.

ITEM #2 (bills):

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to pay Van Riper Associates (Hanson, MA) \$5,117.50 and Carter Browne Consulting (Boston) \$1,509.83 for computer work carried out during November and December.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

The Chairman made the point--and Members agreed--that, henceforth, there should be "double approval for any proposed computer changes by somebody other than the person in charge of the Computer Department and that the

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approval be in writing prior to the authorization for Van Riper or Carter Browne to go forward."

Mr. O'Brien suggested "a long look at this whole thing...what is spent and whether somebody (a programmer) on staff might be the way to go."

ITEM #3 (bids/proposals):

IT WAS VOTED--as recommended by management, moved by Mr. Rappaport, seconded by Mr. Andrews--that Northeast Graphics (North Haven, CT) be awarded the contract to print the Authority's 1994 color brochure for \$31,221 (including warehousing and freight shipment).

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

The contract was advertised in area weeklies as well as dailies (Cape Cod Times, Boston Globe, New Bedford Standard Times and Providence Journal). Forty-two firms sought bid packages; seven competed for the award.

Prices sought ranged to \$62,450, from Northeast's low bid.

ITEM #4 (report on major projects):

On Hyannis terminal reconstruction:

IT WAS VOTED--on Mr. Rappaport's motion, seconded by Mr. Andrews--to defer for another month any consideration of management's request to authorize proceeding with the final design of Hyannis terminal reconstruction, based on cost estimates and design by HMM Associates.

VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None

John D. Tuckwood of Maintenance/Engineering (voted the Authority's official representative on the Hyannis terminal reconstruction project in September 1992) included in his report that (a) the final Environmental Impact Report is to be submitted Jan. 31st and (b) HMM's most recent estimate at construction cost is \$4,656,000.

The estimated cost, he said, "is the fifth revision and is the end result of many meetings, discussions and considerations to keep this project within budget." The estimated cost, he added, doesn't include any contingency costs nor does it consider Federal funding (reportedly \$2 million)

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Mr. Tuckwood stressed these points: (1) The current revision complies with the agreement reached with the Town of Barnstable and keeps the building's footprint; (2) the current revision eliminates the truck scale and envisions an increased capacity of the transfer bridges; (3) the landscaping budget is reduced by \$98,000 but trees will remain a feature in the parking area; and (4) the promenade deck is eliminated and in its place is an eight-foot-wide concrete strip around the property's perimeter.

All Members were unanimous: another concerted effort must be made to reduce rebuilding costs, specifically in the proposed new terminal building itself. Each agreed the proposed restaurant area must be eliminated. A second-floor conference room could be made smaller, they said.

Mr. Beach of the Finance Advisory Board read a statement for the record:

"We would like to raise for reconsideration the matter of installing lunchroom facilities in the new Hyannis terminal. We have been criticized in various quarters for the extent and the expense of the proposed Hyannis installation.

"In our opinion, the lunchroom is an unnecessary expense and will add unwanted complications to the management of the facility in terms of space requirements, food purchase, handling and storage, and garbage disposal. You will be told that it is already included in the completed architectural plans and that it is just a small percentage of the total cost. These are specious arguments. Plans can be changed before construction starts and we do not spend percentages, we spend dollars."

On Vineyard Haven terminal construction:

Mr. Tuckwood holds a similar Authority role in planned construction at the busy port of Vineyard Haven as he holds at Hyannis: working with design engineers, noting comments at public hearings to better meet the wishes of Vineyard residents and businesses.

"The process we have followed--involving the public at all times--has been going very well," said Mr. Tuckwood.

The next step, he said, was to proceed with preliminary designs and, by mid-February, be prepared to submit an Environmental Notification Form (ENF), hoping a full Environmental Impact Report will not be necessary.

Mr. Rappaport has been the engine behind the terminal building pre-construction program, said Mr. Tuckwood, and the way that program has been presented in various communities for Island public comment and support. Of three project design alternatives, overwhelming support has emerged for the "central terminal" concept. Tisbury's Board of Selectmen also voted in favor of the "central terminal."

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So positively have meetings with the public and Island selectmen gone, said Mr. Rappaport, that a tentative special meeting of Authority Members on the Island, set for Feb. 3rd, is no longer necessary.,

On M/V SANKATY:

The Chairman made the point that twice today questions about capital budgeting have been raised--first on terminal construction at Hyannis, now on the SANKATY. He suggested (and Members agreed) that management should set up "working sessions at which Members and the finance board have an opportunity to participate and discuss our whole capital budgeting program."

Mr. Grossman's suggestion came during review of "a comprehensive report" on SANKATY's purchase and conversion, prepared by James P. Swindler, assistant manager of Engineering/Procurement.

Mr. Swindler's report (16 pages plus backup data) covered a full year: from SANKATY's purchase in January 1993 (\$500,000) from Federal authorities to its being towed from Louisiana to Jacksonville, FL where it went into a shipyard for necessary work before the long journey under tow to American Shipyard at Newport, RI. American Shipyard was chosen as low bidder to perform a large amount of work before the vessel rehabilitation project was turned over to the Maintenance/Engineering force at Woods Hole.

Mr. Swindler wrote: "The SANKATY project has been an unusual one, from start to finish," pointing out its acquisition and first seven months of reconstruction occurred while Maintenance/Engineering's primary focus was on construction of the new MARTHA'S VINEYARD in Florida.

"Throughout this project," Mr. Swindler wrote, "I think we have learned many valuable lessons and suffered many embarrassing moments--but there is no doubt in my mind that this was a wise investment and the SANKATY, a true passenger/freight vessel, will serve us well."

ITEM #5 (Report of the Treasurer):

IT WAS VOTED--at the request of the Treasurer-- to authorize the transfer of \$695,000 from the bond redemption account to the replacement fund to pay, in part, additional costs related to the SANKATY's conversion. Mr. Rappaport so moved, seconded by Mr. Andrews.

*VOTING AYE: Messrs. Rappaport and Andrews
VOTING NAY: None*

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On "free transportation policy":

The policy--adopted by the Members in late 1974 to help local governments (on the Islands and in Falmouth) reduce their travel expenses--has expanded through the years but, said the Treasurer, is "not subject to any widespread abuse". Therefore, he said, management recommends the program should continue.

Members agreed with the policy's spirit of cooperation with surrounding community governments but, because the policy has expanded over nearly two decades, wanted to give more thought to streamlining the program, perhaps by the February public meeting.

Mr. Lamson said management re-examined the policy at the Members' request following the Finance Advisory Board's recent recommendation that the policy be abolished.

Mr. Lamson put the value of such "free transportation" during 1993 at \$66,198.49--a bare \$1.12 increase over the previous year.

On Capitalization Policy:

IT WAS VOTED--on the Treasurer's recommendation, moved by Mr. Rappaport, seconded by Mr. Andrews--to revise or amend the Authority's Capitalization Policy, effective Jan. 1st, 1994, as follows:

1: The capitalized cost of any new, self-constructed capital project started after January 1, 1994, shall include those cost elements generally considered to be part of the direct labor cost. These costs would include wages, payroll taxes, the cost of fringe benefits and workers' compensation insurance, that can be specifically identified and traced to the construction of this asset; and

2: The minimum capitalization threshold shall be \$5,000. For group purchases, the minimum capitalization limit shall be established at \$10,000.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

Though not part of the main motion, Mr. Lamson said he could take into account the suggestion voiced by Mr. O'Brien (with which Members agreed), that the policy indicate that expenditures that increase the life of an asset by five years or more be capitalized. In the policy (dated 2/25/92)

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it states that..."when a unit is substantially rebuilt, significantly extending the life, the rebuilding cost should be capitalized as an addition to the unit."

Mr. O'Brien's suggestion (readily accepted by the Treasurer and the Members) would read in the above paragraph: "When a unit is substantially rebuilt, extending its life by five or more years, the rebuilding cost should be capitalized..."

On amendment to bond resolution:

IT WAS VOTED--as Mr. Lamson requested--that the bond resolution voted by the Members in public meeting on Dec. 27th/93, be amended to conform with the Commonwealth's recently issued "Debt Policy Statement" which covers all Commonwealth general obligation bonds, including those of the Steamship Authority, as explained in the Treasurer's staff summary A-315, dated Jan. 14th.

VOTING AYE: Messrs. Rappaport and Andrews

VOTING NAY: None

The Authority, by vote of the Members, planned the refunding of some \$10 to \$12 million in outstanding bonds sometime during the first quarter of 1994. It was left to Mr. Lamson to pick the date of new issuance--a time most advantageous to the Authority in terms of bond interest rates.

Mr. Lamson said, after meeting with State Administration and Finance officials, it was pointed out that "...the Authority should have an open process for procurement of underwriting and other financial services, in accordance with the Commonwealth's newly issued Debt Policy Statement."

He pointed out he had intended using BayBank Boston as underwriter for the refunding bonds. Now, he said, "on the advice of Palmer & Dodge, our bond counsel, we are in the process of soliciting proposals for the selection of an underwriter. This process is expected to take approximately two weeks."

The amendment voted today would authorize Mr. Lamson to select an underwriter through an open, competitive process.

On current finances:

The Treasurer reported that, while the books on 1993 haven't yet been fully closed, it would appear the Steamship Authority ended the year

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with a net operating income of between \$1.5 and \$2 million on revenues of almost \$35 million. Net income, he said, would include the loss of some \$500,000 on the December sale of M/V UNCATENA.

ITEM #6 (old/new business):

Members agreed with a request of Mr. Andrews that a subject on the executive agenda (rental of Falmouth High School property for parking purposes during the summer of 1994) be deferred to the February meeting.

Mr. Andrews said he has not yet had a chance to discuss the leasing--for yet another summer--of school property with his appointing authority. That will be done before the Members' February meeting, Mr. Andrews said.

On another subject, Mr. Murphy of the Finance Advisory Board asked for a report on the vehicle-carrying capacity of the new MARTHA'S VINEYARD. He said he'd been told the vessel is carrying "significantly fewer" automobiles than the M/V NANTUCKET after which the MARTHA'S VINEYARD was patterned.

Mr. Murphy also said he'd heard "rumors" the new vessel may have to be returned to the shipyard in Jacksonville, FL for various repairs and replacements.

Mr. Swindler of Maintenance/Engineering said he's also heard "all sorts of rumors about the vessel having to go back to Jacksonville." But, he said, "it's all fiction."

Said the General Manager: "Marine Log, which is the bible of the marine industry, features the MARTHA'S VINEYARD on its latest cover as the distinctive passenger vessel of 1993. This may not mean much to a lay person but to those of us in the industry, this is like winning the Oscar."

She's also featured in two other major marine industry magazines, said Mr. Fuller.

AT 11:03 a.m., Mr. Grossman accepted a motion to end the public meeting and to reconvene in executive session. The vote to do so was unanimous.

A TRUE REPORT

WILLIAM R. ANDREWS, Secretary



RAY MARTIN, Recording Secretary
(Revised, resubmitted Feb. 18/94)