MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

January 14, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 14th day of January, 2009, beginning at 9:30 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located on Water Street, Woods Hole, Massachusetts. Four Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; and H. Flint Ranney of Nantucket. John A. Tierney of New Bedford was not present.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and George J. Balco of Tisbury were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Terminal and Parking Operations Mark Rozum; Director of Engineering and Maintenance Carl R. Walker; Reservations and Community Relations Manager Gina Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Security Lawrence S. Ferreira; and General Counsel Steven M. Sayers.

Mr. O'Brien began the meeting by welcoming Mr. Balco as the Town of Tisbury's new representative on the Port Council. All of the Members also expressed their thanks and appreciation to Tisbury's outgoing Port Council member, Thomas Pachico, for all of his good work and dedication on behalf of the Authority over the past six years.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on December 16, 2008.

VOTING	AYE	NAY
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for November 2008, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's net operating loss for that month had been around $1,982,000, $174,000 higher than projected, mostly attributable to revenues having been around $318,000 lower than projected. In this regard, Mr. Lamson noted that the Authority was continuing to see decreases in passenger, automobile and truck traffic on the Nantucket route.

Mr. Lamson also reported that the Authority's year-to-date operating income through November 2008 was $4,532,000, $2,520,000 lower than what had been projected. Mr. Lamson stated that the majority of this variance was attributable to higher-than-anticipated operating expenses, particularly the unexpected dock and dolphin repairs at the Nantucket terminal.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that Phase 2 of the Oak Bluffs Terminal Reconstruction Project was continuing to proceed very well, and was still on schedule and on budget with no major change orders. Mr. Walker also reported that the contractor, RDA Construction Corp., had finished driving the 20-inch piles for the slip dolphins and was approximately 75% completed with driving the piles for the passenger access platform. As a result, Mr. Walker said, Phase 2 of the project was still expected to be completed by the end of April 2009.

Renewal of License Agreement with Hyannis Harbor Tours, Inc.:

Mr. Sayers then reported that management was recommending that the Members modify the license fee schedule contained in the Authority's license agreement with Hyannis Harbor Tours, Inc. ("Hy-Line") with respect to Hy-Line's Nantucket service so that Hy-Line will no longer have to pay any license fees on the passengers it carries on the *Grey Lady* during the winter season when the Authority is not providing high-speed ferry service itself. Without this limited reduction in its license fees, Mr. Sayers said, there was a possibility that Hy-Line will no longer be able to afford to provide its high-speed service during the unprofitable winter months, and management concluded that it was important to ensure that Nantucket residents have high-speed ferry service on a year-round basis. However, Mr. Sayers noted that Hy-Line will continue to pay the Authority license fees for all passengers it carries during the remaining months of the year, and that those license fees, depending upon the number of passengers carried, are expected to be between $325,000 and $550,000 for 2009. Mr. Sayers further reported that management was recommending that Hy-Line's new license agreement be for three years, ending on December 31, 2011, based on the expectation that Hy-Line will not ask for any further modifications to either its Nantucket license fee schedule or its Martha's Vineyard license fee schedule during the remainder of the agreement.

Mr. Marshall noted that, with all due respect to management, the recommendation would result in a reduction of $100,000 to $160,000 of revenue to the Authority in 2009, and he declared that he had a tough time contributing Authority dollars to its most significant competitor, especially when the Authority was not swimming in money either. Nevertheless, Mr. Marshall stated that he intended to go along with the recommendation because he appreciated having Hy-Line as a co-lifeline for the island of Nantucket.

Mr. Ranney then thanked management for looking at this situation so seriously, and declared that there was no one on Nantucket who disagreed with the concept of management's recommendation. In this regard, Mr. Ranney noted that the Authority's partnership relationship with Hy-Line in providing service for Nantucket was very different from the Authority's almost exclusive role in providing ferry service for Martha's Vineyard, and he reported that Nantucketers were willing to pay the higher rates that potentially might result from modifying Hy-Line's Nantucket license fee schedule as recommended by management. However, Mr. Ranney expressed his hope that the Authority and Hy-Line together would end up taking more business away from the airlines, which would result in more revenues for the Authority that will more than make up for the reduction in Hy-Line's license fees.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to execute a new license agreement with Hyannis Harbor Tours, Inc. in the form attached to Staff Summary #L-378, dated January 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Vessel Fuel Price Hedging:

Mr. Davis reported that the Authority had established an account with Prudential Bache Commodities for the purpose of dealing in heating oil futures and that, on January 8, 2009, the Authority's consultant, Richard Larkin of Hedge Solutions, had purchased call options for heating oil futures on the Authority's behalf that will cover 92% of the Authority's expected vessel fuel usage for the next eighteen months. As a result of purchasing these options, Mr. Davis said, the maximum price the Authority will have to pay for its vessel fuel in 2009 was estimated to be around $3.12 a gallon, and the Authority will still continue to benefit from the current lower fuel prices for as long as they last. In this regard, Mr. Davis noted that the Authority most recently paid only $1.92 a gallon for its vessel fuel oil.

Treasurer's Report:

Mr. Davis reported on the Authority's 2008 year-end traffic statistics. Specifically, Mr. Davis reported that, during 2008, the Nantucket route saw decreases in traffic from 2007 levels on all fronts: passenger traffic was down 5.7% (with high-speed passenger traffic down 9.8%), automobile traffic was down 3.1% (with decreases in both standard-fare automobiles and excursion travel), and truck traffic was down 7.6% (mostly attributable to a decline in larger trucks). By contrast, Mr. Davis reported that traffic levels on the Martha's Vineyard route remained relatively stable: passenger traffic was up

1.4%, automobile traffic was up 0.3% (with a slight increase in standard-fare automobiles and a slight decrease in excursion travel), and truck traffic was up 0.1%

Mr. Davis also reported that management was expecting the Authority's net operating loss for the month of December 2008 to be around $3,000,000, which was what had been projected in the Authority's 2008 operating budget. Mr. Davis stated that, while fuel costs had been $400,000 lower for the month than budgeted, those cost savings had been offset by higher-than-expected maintenance costs. As a result, Mr. Davis said that the Authority's 2008 net operating income was expected to be around $1,500,000, which was around $2,500,000 lower than what had been budgeted.

Finally, Mr. Davis reported that, in 2008, the Authority had sold 3,460 10-ride passenger ticket books for the *Iyanough* high-speed service, which represented a 24% increase from the number of such ticket books sold in 2007. In response to a question from Mr. Ranney, Mr. Davis noted that the Authority also offers several other 10-ride ticket books, including a 10-ride Nantucket automobile ticket book, which expires two years after it is purchased. In this regard, Mr. Davis reported that the Authority had sold 41 such ticket books in both 2007 and 2008.

Mr. Ranney then suggested that the Authority establish no expiration date for those 10-ride Nantucket automobile ticket books so that they are good forever, declaring that such a change in policy would result in greater sales of such books. But Mr. Marshall questioned whether the change would result in more customers traveling more often or in simply having the same number of customers making the same number of trips, but at a discounted rate. Given the current difficult economic times, Mr. Marshall declared that the Members should not consider any additional way to give up revenue unless there is a clear indication that it will result in the Authority more than making up the loss of revenue in additional volume.

Mr. Lamson stated that management should first review the implications and discuss the matter with the Port Council to obtain their recommendation. For example, Mr. Lamson said, the 10-ride Martha's Vineyard automobile ticket book currently expires in one year and, instead of making the 10-ride Nantucket automobile ticket book last forever, it may be better to enlarge the expiration date for that book from two years to only three years. Mr. Huss then stated that the Port Council similarly would like to review these issues, and that he also wanted to discuss possible changes to the expiration date for the 10-ride Martha's Vineyard automobile ticket book as well.

Procurement of Transit Buses:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 24-08 for three new 36-passenger heavy duty transit buses with wheelchair lifts to the lowest eligible and responsible bidder for the contract, Northern Bus Sales, Inc. of Hudson, New Hampshire, for a total contract price of $371,070.00, as recommended by management in Staff Summary #TPF 2009-01, dated January 7, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

M/V Governor Dry-Dock and Overhaul Services:

Mr. Lamson then asked the Members to award Contract No. 25-08 for dry-dock and overhaul services for the *Governor* to the lowest eligible and responsible bidder for that contract, Thames Shipyard & Repair Company of New London, Connecticut, for a total contract price of $297,444. Mr. Lamson stated that the *Governor* was scheduled to be in the shipyard from mid-March 2009 through mid-April 2009 to undergo a required United States Coast Guard hull examination, machinery inspections and topside painting.

Mr. Marshall noted that the proposed contract price was far greater than the Authority's $195,000 budget estimate for this work, and he asked whether the Authority had missed a specific item or category of work in its budget estimate. In response, Mr. Walker stated the proposed total contract price included work that he did not expect would have to be performed, and that the cost of the contract was still anticipated to be in the $200,000 range. However, Mr. Marshall said that, in the future, he would prefer that management include all potential work in its budget estimates.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 25-08 for dry-dock and overhaul services for the *Governor* to the lowest eligible and responsible bidder for that contract, Thames Shipyard & Repair Company of New London, Connecticut, for a total contract price of $297,444, as recommended by management in Staff Summary #E 2009-1, dated January 7, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Woods Hole Fender Repairs:

Mr. Lamson then asked the Members to authorize him to award Contract No. 26-08 for Woods Hole fender repairs to the lowest eligible and responsible bidder for that contract after bids are opened on Friday, January 16, 2009. Mr. Lamson stated that the contract was for the replacement of Woods Hole berthing fender #28, including the fender system and its associated concrete mass, and that the repairs were scheduled to take place through March 2009. Accordingly, Mr. Lamson noted, the contract will need to be awarded within the next few weeks and, because it did not appear that the Members would be meeting in February 2009, it would be necessary for him to award the contract himself without a vote by the Members.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract No. 26-08 for Woods Hole fender repairs to the lowest eligible and responsible bidder for that contract after bids are opened on Friday, January 16, 2009, as recommended by management in Staff Summary #E 2009-2, dated January 7, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Nantucket Terminal Dock Repairs:

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to award Contract No. 28-08 for Nantucket terminal dock repairs to the lowest eligible and responsible bidder for that contract, Linberg Marine, Inc. of Fairhaven, Massachusetts, for a total contract price of $268,500, as recommended by management in Staff Summary #E 2009-3, dated January 13, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

M/V Iyanough Dry-Dock and Overhaul Services:

Mr. Lamson then asked the Members to authorize him to award Contract No. 01-09 for dry-dock and overhaul services for the *Iyanough* to the lowest eligible and responsible bidder for that contract after bids are opened within the next month. Mr. Lamson stated that the *Iyanough* was scheduled to be in the shipyard from mid-March 2009 through mid-April 2009 to undergo a United States Coast Guard hull examination and machinery inspections. At this time, Mr. Lamson said, the Authority will also be applying an International Marine Coatings, Intersleek 900 coating system, which is designed to last six years and result in fuel and emissions savings of six percent. In response to a question from the Members, Mr. Walker declared that there was no question that the vessel will be back in time to begin service as scheduled in mid-April.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract No. 01-09 for dry-dock and overhaul services for the *Iyanough* to the lowest eligible and responsible bidder for that contract after bids are opened within the next month, as recommended by management in Staff Summary #E 2009-4, dated January 7, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Amendment to the Engineering Contract for
the Oak Bluffs Terminal Reconstruction Project:

Mr. Lamson then asked the Members to authorize him to amend the engineering contract for the Oak Bluffs terminal reconstruction project to authorize the payment of an additional $218,420 in design and engineering fees to The Maguire Group, Inc. of Foxborough, Massachusetts, for Phase 3 of the project. Mr. Lamson stated that the additional amount was required to complete the construction document, contract bidding and construction management of that Phase 3, which includes the construction of a new covered passenger walkway to the pier, a passenger waiting deck attached to the back of the terminal, site improvements to the Seaview Avenue pick-up/drop-off area, and extensive renovations and modifications to the terminal building itself. In response to a question from the Members, Mr. Davis stated that the Authority already had paid $2,462,000 to The Maguire Group, Inc. for services it has performed to date in connection with the project.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to amend the engineering contract for the Oak Bluffs terminal reconstruction project to authorize the payment of an additional $218,420 in design and engineering fees to The Maguire Group, Inc. of Foxborough, Massachusetts, for Phase 3 of the project, as recommended by management in Staff Summary #E 2009-5, dated January 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Port Council's Report:

Mr. Huss reported that the Port Council, at their meeting earlier that month, had spent 90% of their time discussing the renewal of the license agreement between the Authority and Hy-Line, and had agreed that the one ultimately recommended by the Port Council and voted on that day by the Members was the best and most equitable arrangement of all the possible scenarios. Mr. Huss also reported that Hy-Line's Vice President – Operations, R. Murray Scudder, Jr., had also given the Port Council his input at their meeting, which proved to be very valuable.

Mr. Huss further stated that the Port Council had postponed the election of their officers for the 2009 calendar year until the following month, in light of the fact that not all of the Port Council members had been able to attend their January 2009 meeting. Also at this time, both the Members and Mr. Huss declared that they hoped the Mayor of New Bedford would soon appoint a successor to Philip H. Chase, Jr. as New Bedford's Port Council member, especially since there was a possibility of changing New England Fast Ferry's high-speed passenger service between New Bedford and Martha's Vineyard within the next three years. Finally, the Members congratulated Mr. Huss on being reappointed as Oak Bluffs' Port Council member by the Oak Bluffs Selectmen the previous night.

Reservations:

In response to a question from Mr. Hanover, Ms. Barboza reported that the Authority had fewer Headstart reservations to date in 2009 than during the same time period in 2008, although she stated that it was too short of a time period since the Authority began accepting reservations to determine whether this represents a downward trend for the year. Ms. Barboza said that the Authority should have a better idea of what lies ahead for this year's summer season a few weeks after the reservations are opened up to the general public later that month.

Ticket Books:

Mr. Ranney then asked Mr. Davis if he could provide the Members with information regarding how many coupons in the 10-ride automobile ticket books are not used, and he suggested that the Authority might want to start an email program that notifies customers when their coupons are about to expire.

Public Comment:

Mr. Scudder thanked the Authority's management for all of their work on the license fee modifications to Hy-Line's license agreement, and also thanked both the Members and the Port Council for their consideration. Mr. Scudder declared that, as a result of the Members' decision that day, there was now a much stronger transportation system for the island of Nantucket that will provide better service with positive financial benefits for both the Authority and Hy-Line.

At approximately 10:39 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

March 17, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of March, 2009, beginning at 9:35 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located on Water Street, Woods Hole, Massachusetts. Three Members were present: Vice Chairman Marc N. Hanover of Dukes County; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket. Chairman Robert L. O'Brien of Barnstable and Secretary Robert S. Marshall of Falmouth were not present.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and George J. Balco of Tisbury were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Terminal and Parking Operations Mark Rozum; Director of Engineering and Maintenance Carl R. Walker; Port Captain Charles G. Gifford; Reservations and Community Relations Manager Gina Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Security Lawrence S. Ferreira; and General Counsel Steven M. Sayers.

Mr. Lamson began the meeting by asking for a moment of silence in honor and memory of Authority Parking Lot Supervisor Scott Orluskie, who had passed away unexpectedly the prior week. Mr. Lamson observed that the thoughts, prayers and sympathy of everyone associated with the Authority went to Mr. Orluskie's wife, son, and parents, and declared that Mr. Orluskie was not only a very dedicated employee, but a wonderful person who will be missed by all who knew him.

Mr. Hanover also wished Mr. O'Brien a full and speedy recovery from his recent surgery. Because of Mr. O'Brien's absence, Mr. Hanover presided over the meeting this day, and all of the Members wished Mr. O'Brien the very best so that he can return and resume his duties as soon as possible.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on January 14, 2009.

VOTING	**AYE**	**NAY**
Mr. Hanover	**35 %**	
Mr. Ranney	**35 %**	
TOTAL	**70 %**	**0 %**

Mr. Tierney abstained from voting on the minutes, observing that he had not been present at the January 14, 2009 meeting.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for January 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's net operating loss for that month had been around $2,258,000, $488,000 lower than projected, despite the fact that the Authority's revenues were around $350,000 lower than projected due to fewer passengers (down by 4.9%), automobiles (down by 5.6%) and trucks (down 10.3%) being carried that month than in January 2008. Mr. Lamson noted that those decreases in revenues had been offset by decreases in operating expenses that were almost $855,000 lower than projected. However, Mr. Lamson stated that some of those decreases, particularly the Authority's vessel maintenance expenses, were attributable to timing differences and that, as a result, he expected them to be reflected in the Authority's February statements.

Mr. Lamson also reported that management was being proactive in reducing the Authority's operating expenses wherever possible, such as looking into possible reductions in service so that the Authority can operate one or more of its vessels with two crews instead of three. Mr. Lamson stated that management was also considering possible marketing promotions to attract more ridership, such as offering free one-day parking, bicycle packages, and ticket combinations for travel to both islands during certain times of the year and certain days of the week. In this regard, Mr. Lamson stated that, if the

Members agreed with the concept of offering such promotions, management would go ahead and begin implementing them without asking the Members for any further approval. In response, Mr. Ranney acknowledged that he did agree with the concept and told Mr. Lamson to see what he could work out.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that Phase 2 of the Oak Bluffs Terminal Reconstruction Project was proceeding on schedule and on budget, with change orders amounting to less than 3% of the original construction contract price. In addition, Mr. Walker noted that, because all of the mooring dolphins and fenderings already were installed, the slip was operational at that point even though work (including work on the passenger platform) will continue through April 2009. Mr. Walker observed that when this portion of the work is completed, the Authority will be able to load and unload passengers on the *Martha's Vineyard* from both of the vessel's stern and mid-ship doors.

Mr. Walker further reported that, when the rest of Phase 2 is completed by the spring of 2010, there will be two 7-foot-wide passenger walkway lanes for the entire length of the pier (as well as another 4-foot-wide passenger lane for the New England Fast Ferry vessel), a passenger pick-up and drop-off area in front of the terminal building (where vehicle staging currently takes place), and the front of the building will be expanded to provide for, among other things, larger restrooms and waiting facilities.

Mr. Lamson then announced that the Authority had received an additional $1,900,000 of funding for this project as part of the Federal Highway Administration's ferry boat discretionary funding program for fiscal year 2009. Mr. Lamson expressed his thanks to the offices of U.S. Representative William Delahunt and U.S. Senators Edward Kennedy and John Kerry for all of their efforts in ensuring that Congress made these funds available for this very important project.

Hyannis Slip Improvements Project:

Mr. Walker then reviewed the work that will be entailed in Phase 1 of the Hyannis Slip Improvements Project. Specifically, Mr. Walker reported that Slip 2 will be reconfigured so that it is more in line with Slip 1 in order to open up an area for the new high-speed ferry slip. Mr. Walker also stated that traffic circulation through the terminal will be changed as part of the project so that customers will enter the terminal from Pleasant Street in order to be able to drop off their luggage more conveniently. However, Mr. Walker noted that, as a result of those changes, there would be less parking available at the terminal for parking permit holders.

In response to a question from Mr. Ranney, Mr. Walker estimated that the project would result in around 30 fewer parking spaces at the terminal and that, on occasion during the summer, some parking permit holders may arrive at the terminal when all of the remaining spaces are full. In those instances, Mr. Walker said, they would be required to park off-site, probably at the Authority's Lewis Bay Road parking lot. Mr. Ranney, however, expressed his concern over losing that number of spaces. In response, Mr. Lamson stated that management would investigate whether there are ways that the Authority could use those spaces more effectively, such as for premium daily parking, and whether permit holders who effectively use those spaces to store their cars for long periods of time could be persuaded to park their vehicles off-site.

Proposed Changes to 2009 Spring Operating Schedules:

Mr. Lamson reported that, due to a marked decline in traffic volumes from the time the Members had approved the 2009 Spring Operating Schedules in 2008, management was recommending two changes to those schedules, as follows:

(a) On the Nantucket route, not to operate the *Sankaty* at all during the first month of the 2009 Spring Operating Schedule (April 4, 2009 through May 3, 2009), and not to accept any reservations for the *Sankaty* during the remainder of the schedule (May 4, 2009 through May 18, 2009) unless and until traffic demand increases to the point where such additional freight service is needed. Mr. Lamson stated that, at that time, the decision whether to operate the *Sankaty* for the remainder of the schedule could be revisited.

(b) On the Martha's Vineyard route, to operate only four round trips a day with the *Katama* instead of its previously scheduled seven round trips a day, which will allow the Authority to man the vessel with a double crew instead of a triple crew. Mr. Lamson stated that the Authority could also add additional trips during school vacation week as necessary. Further, as with the change to the Nantucket Route 2009 Spring Operating Schedule, Mr. Lamson noted that management would continue to monitor traffic demand to determine whether additional service with the *Katama* might be needed beginning on or after May 4, 2009, at which time the decision whether to add any more trips can be revisited.

Mr. Lamson also noted that management had discussed these proposed schedule changes with the Port Council at their meeting earlier that month, and that the Port Council had voted unanimously to support them.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to approve the freight vessel schedule changes during the 2009 Spring Operating Schedule as recommended by management in Staff Summary #GM-536, dated March 11, 2009, including preserving the option of adding back some or all of the trips on or about May 4, 2009 in the event there is a significant change in the current truck traffic trends over the next four-to-six weeks.

VOTING	**AYE**	**NAY**
Mr. Hanover	**35 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**80 %**	**0 %**

Treasurer's Report:

Mr. Davis stated that, although the Authority's auditors were still reviewing the Authority's activity for 2008, he had some preliminary unaudited results for the 2008 fiscal year that he would like to provide the Members:

- Net operating income for 2008 was expected to be around $1,500,000, or approximately $5,200,000 lower than 2007 and around $2,500,000 lower than what had been projected in the 2008 Operating Budget.

- Operating revenues totaled $81,300,000 in 2008 (around $725,000 higher than in 2007), with passenger revenue increasing by $750,000, automobile revenue increasing by $500,000, and freight revenue decreasing by $450,000). The increases in revenues were primarily due to rate increases, as traffic levels were marginally lower than the prior year.

- Operating expenses totaled $78,900,000 in 2008 (around $5,400,000 higher than in 2007), with maintenance expenses increasing by $1,675,000 (of which $1,200,000 was attributable to dolphin and dock work), depreciation increasing by $616,000 (with Phase 1 of the Oak Bluffs Terminal Reconstruction Project and the Fairhaven Pier and Dredge Projects being added to the Authority's capital assets), vessel operating expenses increasing by $3,200,000 (with $2,600,000 attributable to increases in fuel oil costs and $550,000 attributable to higher payroll expenses), and other general expenses (including legal expenses, pension obligations and health care costs) decreasing by $525,000.

Mr. Hanover declared that he was already concerned about the Authority's financial situation for the current 2009 calendar year, observing that year-to-date traffic levels through February 2009 had been 10% to 12% lower than for the same time period in 2007. In response to a question from Mr. Tierney, Mr. Davis stated that the Authority had not yet received its royalty payment from Elliott Bay Design Group for the use of *Island Home's* design by Washington State Ferries, but that the wire transfer was expected to be made later that week.

Procurement:

Mr. Lamson reported that, pursuant to the authorization he had received from the Members at their January 14, 2009 meeting, he had awarded the following contracts:

(a) Contract No. 26-08 for Woods Hole Fender Repairs was awarded to the lowest eligible and responsible bidder for the contract, RDA Construction Corporation of Canton, Massachusetts, for the total contract price of $46,524, as described in Staff Summary #E 2009-7, dated March 12, 2009. Mr. Lamson noted that the contract is for the removal and replacement of berthing fender #28, and that work under the contract was beginning that day.

(b) Contract No. 01-09 for Dry-Dock and Overhaul Services for the *Iyanough* was awarded to the lowest eligible and responsible bidder for the contract, Fairhaven Shipyard Companies of Fairhaven, Massachusetts, for the total contract price of $135,875, as described in Staff Summary #E 2009-6, dated March 12, 2009. Mr. Lamson stated that the *Iyanough* will be there to undergo a U.S. Coast Guard hull exam, machinery inspections and application of International Marine Coatings, Intersleek 900 coating system, which is designed to last six years and is predicted to result in up to 6% fuel and emission savings

Port Council's Report:

Mr. Huss reported that the Port Council, at their meeting earlier that month, had spent 90% of their time discussing the renewal of the license agreement between the Authority and Hy-Line, and had agreed that the one ultimately recommended by the Port Council and voted on that day by the Members was the best and most equitable arrangement of all the possible scenarios. Mr. Huss also reported that Hy-Line's Vice President – Operations, R. Murray Scudder, Jr., had also given the Port Council his input at their meeting, which proved to be very valuable.

Mr. Hanover congratulated Mr. Huss on being elected again to be the Port Council's Chairman for the 2009 calendar year. Mr. Huss also noted that Mr. Asendorf was elected again to be Vice Chairman, and that Mr. Balco was elected to serve as Secretary. Mr. Huss then reported that New Bedford Mayor Scott Lang had submitted his choice for the person to be the New Bedford Port Council member to the New Bedford City Council, and that the City Council was expected to take up the matter promptly.

Mr. Huss also reported that the Port Council had discussed at their meeting earlier in the month most of the items that had been considered by the Members that day, as well as possible changes in the expiration date of the Martha's Vineyard 10-ride passenger ticket books and in the number of coupons included in the Nantucket 10-ride automobile ticket books. Mr. Huss further reported that the Port Council had discussed some possible marketing opportunities, and had provided several suggestions to management.

Nantucket Triathlon:

Mr. Ranney thanked management for having the Authority be a sponsor of the Nantucket Triathlon and for making arrangements to transport the hundreds of people and their bicycles to and from Nantucket for the July 11, 2009 event. Mr. Ranney noted that his son, who is involved in the event, had related to him how impressed he had been with all of the Authority's efforts. Mr. Ranney also expressed his hope that the Authority's involvement with the Nantucket Triathlon will help attract more customers for the Authority.

Nantucket Sound Weather Buoy:

The Members thanked U.S. Representative William Delahunt for all of his efforts in making the weather buoy, which was installed in Nantucket Sound the prior week, a reality, and they declared that it will benefit not only the traveling public, but also all of the fishermen and other users of Nantucket Sound. Captain Gifford then gave a presentation on the buoy's installation and, for all those interested in finding what the weather and sea conditions are at that location, provided the following link to NOAA's website for the buoy: http://www.ndbc.noaa.gov/station_page.php?station=44020.

Wi-Fi:

Mr. Ranney recounted how he had received several complaints about the Authority blocking access to numerous websites on its free wi-fi service on the boats and at the terminals. Indeed, Mr. Ranney said, not only were sites such as MySpace and Facebook being blocked, but also the Nantucket Chamber of Commerce's website. In response, Mr. Lamson stated that the principal reason the Authority was blocking such sites was due to the current lack of bandwidth capacity on the Authority's network, and that even as few as two passengers accessing such websites (because of the audio and video features which require a great deal of bandwidth) could preclude use of the service by anyone else. However, Mr. Lamson said, management had recently learned that the Authority can increase its bandwidth at a cost of around $6,000, and that it would accordingly be doing so as soon as possible. Mr. Lamson also reported that, within the next month or so, the Authority would be issuing email alerts to its customers and adding links to its own website.

At approximately 10:34 a.m., Mr. Hanover entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	**AYE**	**NAY**
Mr. Hanover	**35 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**80 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

April 21, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of April, 2009, beginning at 9:30 a.m., in Room 314 of the New Bedford City Hall, located at 133 William Street, New Bedford, Massachusetts. Four Members were present: Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket. Chairman Robert L. O'Brien of Barnstable was not present.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council members Robert R. Jones of Barnstable and Frank J. Rezendes of Fairhaven were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Terminal and Parking Operations Mark Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; and General Counsel Steven M. Sayers.

The Members welcomed Jessica Fernandes, New Bedford Mayor Scott W. Lang's appointee to serve as New Bedford's Port Council member.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to approve the minutes of the Members' meeting in public session on March 17, 2009.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	80 %	0 %

Mr. Marshall abstained from voting on the minutes, observing that he had not been present at the March 17, 2009 meeting.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for February 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's net operating loss for that month had been around $2,255,000, $162,000 lower than projected, despite the fact that the Authority's revenues were around $361,000 lower than projected due to fewer passengers (down by 6.8%), automobiles (down by 5.2%) and trucks (down 11.5%) being carried that month than in February 2008. Mr. Lamson noted that those decreases in revenues had been offset by decreases in operating expenses that were around $513,000 lower than projected, with the biggest decrease attributable to the reduction in cost of the Authority's vessel fuel oil, which was one-half the price that it had been in October 2008 when the budget had been prepared.

Mr. Lamson also reported that the Authority's year-to-date operating loss through February 2009 was around $4,513,000, which was $650,000 lower than projected, and that the Authority's cash balances at the end of that month continued to be in good shape. Mr. Lamson further noted that Mr. Davis was continuing to lead the management staff's efforts to identify areas for potential cost savings to offset potential additional revenue shortfalls.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that Phase 2 of the Oak Bluffs Terminal Reconstruction Project was just about wrapped up for this off-season, with punch list items now being completed. Mr. Walker noted that one of the items was the railing, which the contractor has had to remanufacture at its own expense. However, Mr. Walker said, the railing was expected to be installed well before the terminal is scheduled to open for the summer season.

Mr. Walker also noted that Phase 2 of the project will continue during the 2009-2010 off-season with two separate construction contracts: one for the construction work on the terminal building, which will require sub-bids and DCAM certification; and another for the marine and site work. Mr. Walker reported that the deadline for submitting sub-bids for the terminal building contract is May 4, and that the deadline for submitting general bids for both contracts is May 26 so that they can be awarded at the Authority meeting on June 16. Mr. Walker also stated that work under the contracts will then commence this coming fall and be completed before the 2010 summer season.

Hyannis Slip Improvements Project:

Mr. Walker then reported that management already had issued an invitation for bids for the construction contract for the Hyannis Slip Improvements Project, and that the deadline for submitting bids is May 7. As a result, Mr. Walker said, the Authority will be in a position to award the contract at the next Authority meeting on May 12. Mr. Walker noted that the work under Phase 1 of the contract will be to reconfigure Slip 2 so that it is more in line with Slip 1 to open up an area for the new high-speed ferry slip. Mr. Walker stated that Phase 2 of the contract will entail the construction of the new high-speed ferry slip, a floating transfer bridge, and modifications to the pick-up and drop-off area for improved traffic circulation through the terminal.

Mr. Lamson advised the Members that the Authority had not yet heard whether it will be receiving any federal stimulus money for either the Oak Bluffs Terminal Reconstruction Project or the Hyannis Slip Improvements Project, but he noted that management was trying to ensure that both projects will be eligible for such funding in the event the Authority is picked to receive some of this important financial assistance. In this regard, Mr. Lamson observed that one of the requirements for such funding was that the contracts for the designated projects be awarded by June 17. Mr. Lamson further noted that, in the event the Authority is not selected as one of the recipients of federal stimulus funds, it was unlikely that the Authority would be able to proceed this year with both of these projects.

Martha's Vineyard 10-Ride Passenger Ticket Books:

Mr. Lamson asked the Members to approve management's recommendation that the Authority change its policy for the expiration dates of 10-ride passenger ticket books for the Martha's Vineyard route. Mr. Lamson noted that the 10-ride passenger ticket books for the Martha's Vineyard route expire one year from date of purchase, and he stated that management was recommending that they instead expire one year from the end of the month in which the ticket book is sold. Thus, Mr. Lamson said, a ticket book sold on April 1, 2009 will expire on April 30, 2010. Mr. Lamson observed that this change would allow the Authority's ticket sellers to stamp the month and year of each book's expiration date in large bold print in several places on each ticket book so that the expiration date is readily visible to both the customer and the Authority's employees who collect tickets. Finally, Mr. Lamson noted that the Port Council, at their meeting earlier in the month, had unanimously voted to recommend that the Members approve this change as proposed by management.

Mr. Huss noted that he had been the person who had originally raised this issue, and declared that management's proposed change in policy would address a lot of customers' problems, such as forgetting the exact dates on which they bought their particular ticket books. Mr. Marshall stated that he would acquiesce to the change, again expressing his hope that it will result in increased ridership instead of just having the same number of people riding the Authority's ferries at a lower price.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to approve the change in the expiration date of 10-ride passenger ticket books for the Martha's Vineyard route, as proposed by management in Staff Summary #GM-538, dated April 15, 2009.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Nantucket Automobile Ticket Books:

Mr. Lamson then asked the Members to approve management's recommendation to reduce the number of coupons the Authority's includes in its automobile ticket book for the Nantucket route. Mr. Lamson noted that the Nantucket automobile ticket book includes 10 coupons, and is sold at a price of $1,620, meaning that the price of a one-way ticket cost $162, reflecting a 15%-25% discount form the standard on-season one-way rate, depending on the size of the vehicle. Mr. Lamson stated that management was proposing that the Nantucket automobile ticket books include only six coupons, and sell at a price of $972 (still maintaining the $162 price per one-way ticket). Otherwise, Mr. Lamson said, all policies regarding the use of such ticket books would remain the same: coupons from the 6-coupon Nantucket automobile ticket books would still need to be used for transportation within two years from the date of purchase, and the books would also still be restricted to two automobiles with common ownership whose registration numbers have been electronically recorded at the time of issuance. In addition, Mr. Lamson said, management was proposing that customers who already have bought 10-ride Nantucket automobile ticket books in 2009 would be eligible to receive a prorated refund upon request. Finally, Mr. Lamson noted that the Port Council, at their meeting earlier in the month, had unanimously voted to recommend that the Members approve this change as proposed.

Mr. Ranney then moved management's recommendation with only one change, namely, that instead of the 6-coupon automobile ticket books expiring at the end of two years, they would have no expiration date. After his motion was seconded by Mr. Tierney, Mr. Ranney declared that the Nantucket automobile ticket books should be the same as the fast ferry passenger ticket books, which are similarly sold at a discount and never expire. Indeed, Mr. Ranney stated that, in his opinion, having no expiration date was more important in selling automobile ticket books than offering a discounted price, because it was perceived to be unfair to require customers to pay what was still a very high price for a ticket book with the risk that some of the coupons will expire before they can be used. Mr. Ranney predicted that, by eliminating the expiration date, more customers would buy the books and then travel more often than they would otherwise.

Mr. Lamson recounted how management had originally proposed offering two different Nantucket automobile ticket books, a six-coupon ticket book at a discounted rate that expires in two years, and another six-coupon ticket book at the full automobile fare but with no expiration date. Mr. Lamson stated that the idea was to offer both books on a one-year trial basis to see which one was more popular, but ultimately the Port Council's recommendation was to offer only one discounted ticket book with a two-year expiration date.

Mr. Marshall expressed his concern over having no expiration date for the ticket books, declaring that there should be a finite period for customers to take whatever number of trips a ticket book allows so that the Authority can have more control over its unearned revenues. As a compromise, Mr. Tierney suggested that the Authority have the ticket books expire in three years, but Mr. Ranney stated that he would rather make no changes to the ticket book than to approve a new ticket book that still had an expiration date.

Mr. Jones declared that the entire purpose of having ticket books with discounted rates should be to encourage frequent travelers and make travel less expensive for them, and that having discounted ticket books with no expiration dates was contrary to this basic concept. Mr. Jones also questioned whether issuing ticket books that are valid forever would result in customers traveling more often. However, he suggested that the Authority offer both types of ticket books (a discounted one with a two-year expiration date and a full fare one without any expiration date) on a trial basis for a year, as management had originally proposed.

Mr. Ranney said that he could accept such a proposal, and Mr. Marshall expressed his support for it as well, observing that it avoided having a ticket book with both a discount and no expiration date, which was in his opinion a bad combination.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- as follows:

1. **to approve the sale of 6-ride automobile ticket books for the Nantucket route, as proposed by management in Staff Summary #GM-539, dated April 15, 2009;**

2. **to approve the sale of 6-ride automobile ticket books for the Nantucket route that will have no expiration date but no discount from the summer regular fare for automobiles less than 17 feet in length; and**

3. **to review how many automobile ticket books of each type have been sold after a year to consider what type(s) of automobile ticket books for the Nantucket route the Authority should continue to sell thereafter.**

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Vineyard Haven Terminal Tour Bus Stand Agreement:

Mr. Lamson requested the Members' approval of a one-year renewal of the Authority's agreement with Island Transport pursuant to which the Authority allows Island Transport to use a bus stand at the Vineyard Haven terminal for one of its tour buses, for a $5,000 annual fee, and the Authority also sells Island Transport's tour tickets, for which the Authority receives a 20% commission. Mr. Lamson stated that the proposed agreement was the same as the one which the parties had entered into the previous year, when the Authority had received only one bid for the contract. Mr. Lamson also observed that there appeared to be no other tour bus company on Martha's Vineyard who was interested in using the Vineyard Haven terminal's bus stand.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to approve and authorize the General Manager to execute on behalf of the Authority the agreement with Island Transport, Inc. in the form that is attached to Staff Summary #TPF-2009-2, dated April 14, 2009.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Parking Permit Rate Increases:

Mr. Lamson asked the Members to approve management's recommendation to increase the Authority's parking permit rates for the period from May 15, 2009 through May 14, 2010. Mr. Lamson stated that the proposed increases for year-round parking permits were as follows:

Permit Type	2008/2009 Rate	2009/2010 Rate
Woods Hole	$ 800	$ 850
Palmer Avenue	$ 575	$ 600
Hyannis Terminal	$ 800	$ 900
Hyannis Off-Site	$ 575	$ 575

Mr. Lamson also asked for approval of management's recommendation to increase the period for which off-season parking permits are valid, so that the off-season for such permits would run from September 15 through May 14, instead of from October 15 through May 14. In addition, Mr. Lamson stated that management was proposing to increase the prices for those expanded off-season permits as follows:

Permit Type	2008/2009 Rate	2009/2010 Rate
Palmer Avenue Off-Season	$ 400	$ 425
Hyannis Off-Season	$ 400	$ 425

Finally, Mr. Lamson asked the Members to approve a new $500 Nantucket Seasonal Parking Package, which would include a round-trip automobile excursion ticket from Nantucket and the ability to park at the Authority's Hyannis off-site parking lot for eight months from September 15, 2009 through May 14, 2010. Mr. Lamson noted that the Authority had offered a similar package for $400 this past year, but parking had only been valid for less than four months, from September 15, 2008 through January 10, 2009.

Mr. Ranney stated that he had no objection to increasing the prices of the Hyannis parking permits, but he expressed concern over the fact that the Authority would have 30 fewer parking spaces at its Hyannis terminal in the future due to the anticipated construction of the new high-speed ferry slip. Accordingly, Mr. Ranney asked management to consider alternatives to the present parking allocations at the terminal among parking permit holders, daily parkers and employees to ensure that there are sufficient spaces there for the parking permit holders.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to approve the annual parking permit rates, the extension of the duration of the off-season parking permit period, and the Nantucket Seasonal Parking Package, as proposed by management in Staff Summary #TPF-2009-3, dated April 15, 2009.

VOTING	**AYE**	**NAY**
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

New England Fast Ferry Dockage Request:

Mr. Lamson advised the Members that the Authority had received a request form New England Fast Ferry ("NEFF") for permission to disembark one of its New York-based fast ferries at the Oak Bluffs terminal (using NEFF's barge) on Friday, July 3, 2009, and to re-board with the same passengers at the same location on Monday, July 6, 2009. Mr. Lamson stated that NEFF was offering to pay the Authority a dockage fee in the amount of $4 per round-trip passenger. Mr. Lamson noted that, because NEFF will be operating a direct New York-Oak Bluffs run with this vessel, it did not need a license from the Authority to do so. Mr. Lamson also reported that NEFF was operating this trip as an experiment to see whether its customers in New York and New Jersey are willing to take a 5+ hour trip to Martha's Vineyard by water, and that NEFF was hoping to carry around 100 passengers on this trip.

Mr. Hanover declared that he would never agree to a dockage fee in the amount of $4 per round-trip passenger on a regular basis because it was too low an amount, but that he would not object to it this time because it was only for one trip that was being operated on a trial basis.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Marshall -- to grant permission to New England Fast Ferry ("NEFF") to disembark one of its New York-based fast ferries at the Oak Bluffs terminal on Friday, July 3, 2009, and to re-board with the same passengers at the same location on Monday, July 6, 2009, for a dockage fee in the amount of $4 per round-trip passenger.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Treasurer's Report:

Mr. Davis reported that the Authority's passenger traffic for March 2009 had been 11.2% lower than what it had been for the same month in 2008 and, as a result, the Authority had carried the fewest passengers during the month of March since 1995. Mr. Davis also reported that the Authority's year-to-date passenger traffic through March 2009 had been 7.8% lower than what it had been for the same three-month period in 2008.

Mr. Davis then reported that the Authority's automobile traffic for March 2009 had been 11% lower than what it had been for the same month in 2008 and, as a result, the Authority had carried the fewest automobiles during the month of March since 1994. Mr. Davis further reported that truck traffic for March 2009 similarly had been 10.3% lower than what it had been for the same month in 2008.

Mr. Davis stated that the Authority's net operating loss for March 2009 was expected to be around $2,700,000, which was $260,000 higher than what had been budgeted for the month. Mr. Davis noted that this was due to revenues being around $500,000 lower than projected, but that the decrease in revenues had been partially offset by lower-than-expected operating expenses, particularly lower vessel fuel oil costs. As a result, Mr. Davis said, the Authority's year-to-date net operating loss through March 2009 was expected to be around $7,200,000, or $400,000 lower than what had been projected.

Mr. Davis then noted that he had provided the Members with a series of charts and graphs he had given to the Port Council earlier that month showing long-term trends in the growth rates of the Authority's passenger, automobile and truck traffic for each of the islands, as well as the number of cars parked (on a daily-fee basis, not including parking permit holders), the percentage of automobiles being transported to and from each island under excursion rates, the number of passengers carried by each of the Authority's competitors, and the Authority's revenues and operating expenses. Mr. Davis observed that the charts highlighted the challenge facing the Authority to maintain control of its expenses despite relatively flat traffic levels in order to minimize rate increases.

Call Center Phone Activity and Internet Reservations:

Mr. Hanover observed that the percentage of the Authority's vehicle reservations which were booked online during March 2009 had increased to almost 39%, compared to the 33.4% of vehicle reservations that had been booked online during March 2008. In addition, the percentage of fast ferry reservations being booked online had increased from 32.4% in March 2008 to 52.3% in March 2009.

M/V Island Home Design Royalty Payments:

In response to a question from Mr. Tierney, Mr. Davis stated that, since the last Authority meeting, the Authority had received its royalty payment from Elliott Bay Design Group for the use of *Island Home's* design by Washington State Ferries.

Port Council's Report:

Mr. Huss reported that the Port Council had discussed at their meeting earlier in the month most of the items that had been considered by the Members that day, and he thanked Mr. Davis for all of his time and effort in preparing the numerous graphs and charts showing the Authority's long-term trends in the Authority's traffic, revenues and expenses. Mr. Huss also noted that the Port Council's next meeting would be at 9:30 a.m. on May 5, 2009 in Woods Hole.

Fuel Price Hedging:

In response to a question from Mr. Ranney, Mr. Davis stated that he had met with Hedge Solutions a few weeks ago to discuss a number of alternatives the Authority could consider for its fuel price hedging program in the future, and that he anticipated presenting those alternatives to the Members for their consideration at their next meeting. Mr. Davis observed, however, that so far the program was accomplishing the purpose for which the Authority had initiated it, namely, acting as an insurance policy to eliminate the Authority's exposure to drastic increases in fuel prices.

Wi-Fi:

In response to a question from Mr. Ranney, Ms. Claffey reported that management had installed hardware upgrades for the Authority's free wi-fi service, but still had to finish several configurations in order to increase its bandwidth capacity. Ms. Claffey stated that, after some testing, she expected to have everything completed within the next month so that the Authority would no longer have to block users of the service from gaining access to certain websites.

Authority Meeting Schedule:

Mr. Lamson reported that he had had a conversation with Mr. O'Brien, who was doing well and hoped to attend the next Authority meeting. However, Mr. Lamson stated that Mr. O'Brien had a conflict on May 19, 2009, the day scheduled for the meeting, and had asked him whether the meeting could be re-scheduled. In response, the Members agreed that the next Authority meeting will take place at 9:30 a.m. on Tuesday, May 12, 2009, at a place to be determined on Martha's Vineyard.

At approximately 10:55 a.m., Mr. Hanover entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Marshall -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

May 12, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 12th day of May, 2009, beginning at 9:30 a.m., in the Katharine Cornell Theatre of the Tisbury Town Hall, located at 51 Spring Street, Vineyard Haven, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and George J. Balco of Tisbury were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Customer Service and Community Relations Manager Gina Barboza; Director of Marketing Kimberlee McHugh; Director of Human Resources Phillip J. Parent; Vineyard Haven Terminal Manager Bridget Tobin; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on April 21, 2009.

VOTING	AYE	NAY
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Mr. O'Brien abstained from voting on the minutes, observing that he had not been present at the April 21, 2009 meeting.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for March 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's net operating loss for that month had been around $2,497,000, $43,000 higher than projected, due to the fact that the Authority's operating revenues were around $460,000 lower than projected due to fewer passengers (down by 11.2%), automobiles (down by 11.0%) and trucks (down 10.3%) being carried that month than in March 2008. Mr. Lamson noted, however, that much of that decrease in revenues had been offset by decreases in operating expenses that were around $427,000 lower than projected, with the biggest decrease attributable to the reduction in cost of the Authority's vessel fuel oil, which had cost $1.56 per gallon during the month instead of the $3.48 per gallon that had been estimated in October 2008 when the budget had been prepared.

Mr. Lamson also reported that the Authority's year-to-date operating loss through March 2009 was around $7,010,000, which was $608,000 lower than projected, and that the management staff was continuing to be proactive in looking at all areas of the Authority's operations for potential cost savings to offset potential additional revenue shortfalls.

Mr. Lamson noted that vehicle reservations were still available for every day that summer, although he stated that the number of reservations being made was improving as time went by. In this regard, Mr. Lamson told the Members that the last freight boat trips on the Martha's Vineyard route had not yet been entered into the system as being available for booking, but as the other trips sell out, management would be adding those trips in order to carry the additional traffic. Mr. Hanover stated that he understood the financial and operational reasons for this approach, but he cautioned that the Authority could not afford to turn any customers away this summer.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that this off-season's work on Phase 2 of the Oak Bluffs Terminal Reconstruction Project was substantially completed, and that the contractor was installing the final railings and completing a few punch list items. Mr. Walker also reported that the *Martha's Vineyard* already had tried out the slip during a slight detour on a trip from Vineyard Haven to Woods Hole in order to make sure that the passenger gangway was lined up correctly and that there were no issues that will hinder the Authority from opening up the terminal at the start of the summer schedule.

With respect to the continuation of Phase 2 of the project during the next off-season, Mr. Walker reported that the Authority had issued invitations for bids for two separate construction contracts: one for the construction work on the terminal building, for which sub-bids must be submitted by that day and general bids must be submitted by May 26, 2009; and another for the marine and site work, for which general bids must be submitted by June 5, 2009. Mr. Walker stated that management hoped to have both contracts awarded at the Authority's June 16, 2009 meeting, and that the work would then begin in October 2009.

Tisbury Park and Ride Lot Agreement:

Mr. Lamson then requested that the Members approve the renewal of the Authority's agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority to provide shuttle bus service for the Tisbury Park and Ride parking lot for the 2009 calendar year on the same terms and conditions as those that governed the service in 2008. Mr. Lamson noted that, under the agreement, the Authority reimburses the Transit Authority for 50% of its direct labor and fuel costs attributable to the service, plus $200 per month to cover maintenance, insurance and other indirect costs. In turn, the Transit Authority is required to operate the service each day of the year except Thanksgiving and Christmas, when the Authority makes its own arrangements to transport customers between the Vineyard Haven terminal and the Tisbury Park and Ride lot.

Mr. Hanover encouraged the other Members to approve management's recommendation, observing that more and more people were using the shuttle service every year, and that he felt it would continue to increase in service and popularity. Mr. Lamson agreed, noting that, in 2008, 111,032 passengers used the shuttle service, which represented an increase of 9.4% from the previous year's total of 101,520.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to approve and authorize the General Manager to execute a new one-year agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority pertaining to the operation of the Tisbury Park and Ride Lot, in the form attached to Staff Summary #GM-540, dated May 7, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

New England Fast Ferry License Agreement:

Mr. Lamson then requested that the Members approve a request from New England Fast Ferry Company, LLC ("NEFF") for an amendment to its license agreement so that it can operate fewer trips between Martha's Vineyard and New Bedford during the summer season. Specifically, Mr. Lamson said, in the summer of 2008 NEFF operated four daily trips between New Bedford and Oak Bluffs; while in the summer of 2009, if the amendment is approved, NEFF will operate three daily trips, with one extra trip on Thursdays and Fridays, and two extra trips on Saturdays and Sundays. Similarly, Mr. Lamson stated that in the summer of 2008 NEFF operated four daily trips between New Bedford and Vineyard Haven, with one extra trip on Fridays; while in the summer of 2009, if the amendment is approved, NEFF will operate two daily trips, with one extra trip on Thursdays and two extra trips on Fridays.

Mr. Marshall expressed his disappointment that no one from NEFF was present at the meeting to answer questions regarding NEFF's future plans, as it seemed that NEFF was continually losing business. However, Kristin Decas, Executive Director of the New Bedford Harbor Development Commission, assured the Members that NEFF was committed to the service, even though it had lost a significant part of its market. Ms. Decas also noted that NEFF was now offering incentives to Massachusetts residents to use the service and, although there still was not a need for NEFF's original level of service between New Bedford and Martha's Vineyard, she hoped that it would be able to expand back to that level in the future.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the request from New England Fast Ferry Compay, LLC ("NEFF") for a reduction in its service during the summer season and to authorize the General Manager to execute a Fifth Amendment to NEFF's current license agreement, in the form attached to Staff Summary #GM-541, dated May 7, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Hanover -- to invite New England Fast Ferry Company, LLC's Vice Chairman and Chief Financial Officer Andrew Langlois to the Authority's next meeting.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Analysis of Rates versus Cost of Service for 2008:

Mr. Davis reviewed Staff Summary #A-506, dated May 7, 2009, which summarized his analysis of the effectiveness of the Authority's rate structure to cover the respective cost of service for passengers, automobiles and trucks during the 2008 calendar year. Mr. Davis noted that one of the purpose of this analysis is to see, in the event the need arises for a rate increase, which categories of the Authority's customers are effectively being subsidized by other categories of customers and, therefore, in the interest of fairness might be called upon to pick up a little more of the cost of service.

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

(a) Total vessel operating costs had increased by 7.6% in 2008, primarily due to the cost of vessel fuel; but the majority of that increase had been offset by a reduction in the amount of indirect non-vessel costs that were allocated to the Martha's Vineyard route.

(b) While the number of trips had increased by only 142 in 2008, the total capacity for the year had increased by 17,967 vehicle spaces, primarily due to the fact that the *Islander* had operated for the first several months of 2007 instead of the *Island Home*.

(c) The total number of spaces occupied remained essentially the same (an increase of less than 0.1%); but, due to the increase in capacity, the occupancy rate fell by 1.8%, to 78.0%.

(d) The Authority carried 1,906 fewer excursion automobiles in 2008 than it did in 2007, and 3,164 more standard fare automobiles in 2008 than it did in 2007.

(e) The estimated cost of one "car equivalent unit" space per trip was \$47.75. On average, automobiles were covering only 94.7% of their allocated cost of service, with standard fare automobiles covering 131.8% and excursion fare automobiles covering 40.1%. By comparison, on average, trucks were covering 114.5% of their allocated cost of service.

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

(a) Total vessel operating costs had increased by 16.4% in 2008, primarily due to the cost of vessel fuel; and the amount of indirect non-vessel costs allocated to the Nantucket route had similarly increased by 13.7%, primarily due to the dolphin and dock repairs performed at the Nantucket terminal that year.

(b) The number of trips had decreased by 171 in 2008, and the total capacity for the year had similarly decreased by 9,200 vehicle spaces (or 4.1%); but the total number of occupied spaces fell even further (by 12,076 spaces, or 6.4%), resulting in a decrease in the occupancy rate of 2.0%, to 82.3%.

(c) The Authority carried 699 fewer excursion automobiles in 2008 than it did in 2007 (a decrease of 2.8%), and 1,496 fewer standard fare automobiles in 2008 than it did in 2007 (a decrease of 3.3%).

(d) The Authority also carried 3,650 fewer trucks in 2008 than it did in 2007 (a decrease of 7.6%) and, on average, the trucks that it carried were shorter in length, resulting in 9,881 fewer truck spaces being occupied in 2008 than in 2007 (a decrease of 8.5%).

(e) The estimated cost of one "car equivalent unit" space per trip was $124.43. On average, automobiles were covering 108.0% of their allocated cost of service, with standard fare automobiles covering 147.2% and excursion fare automobiles covering 37.4%. By comparison, on average, trucks were covering 78.2% of their allocated cost of service. In 2007, both automobiles and trucks were covering far more of their allocated costs of service (133.1% and 95.6%, respectively), but Mr. Davis noted that much of the drop was due to the fact that in 2008 the Nantucket route had been hit with a unique combination of skyrocketing fuel prices, extensive dolphin and dock repairs, and a sharp decline in traffic.

<u>M/V Island Home Lift Decks</u>:

The Members then discussed how the lift decks on the *Island Home* were being utilized. In this regard, Mr. Hanover observed that, while the public used to complain about how there was not enough room on the boats to travel with their cars when they wanted, they are now complaining about being placed on the *Island Home's* lift decks, which was one of the ways the Authority increased capacity so that they can travel more conveniently. Mr. Hanover stated that one of the most frequent complaints was that customers who are placed on the lift decks are loaded onto the boat first and unloaded last.

However, Ms. Tobin reported the Authority was no longer following that first on/last off approach. Instead, customers on the lift decks were now being unloaded as soon as space on the freight deck was opened up to allow the lift deck ramps to be lowered. As a result, Ms. Tobin said, almost all customers are happy to use the lift decks, especially since they are taken primarily from standby lines and otherwise would have to wait for the next boat. Ms. Tobin also cautioned that, if customers arrive late so that they won't be placed on the lift deck, they may lose their reservations. Mr. Hanover agreed, observing that the ports on the Martha's Vineyard route often have to transport ambulances and people with medical conditions at the last minute who take up space on the freight deck that otherwise might be available for customers who arrive late.

Treasurer's Report:

Mr. Davis reported that, while the Authority's passenger traffic for April 2009 had slightly increased from what it had been for the same month in 2008, it had carried fewer automobiles and trucks during that month than the previous year. As a result, the Authority's revenues for April 2009 were expected to be around $500,000 lower than what had been budgeted. However, Mr. Davis also reported that operating expenses for April 2009 were expected to be around $950,000 lower than what had been budgeted, primarily due to lower vessel fuel oil costs and lower maintenance expenses. Accordingly, the Authority's net operating loss for April 2009 was expected to be $450,000 lower than projected, leaving the Authority's net operating loss for the first four months of 2009 at around $7,900,000, approximately $1,000,000 lower than what had been budgeted.

Mr. Davis also reported that, while the automobile and truck traffic on the Martha's Vineyard route during April 2009 had decreased by only 0.6% and 5.7%, respectively, the automobile and truck traffic on the Nantucket route that month had fallen by 4.6% and 20.5%, respectively. Thus, Mr. Davis said, the Nantucket route was experiencing far larger revenue shortfalls than the Martha's Vineyard route.

Hyannis Slip Improvements Project:

Mr. Lamson reported that the Authority had received six bids for the contract to perform the Hyannis Terminal Slip Improvements Project, ranging from the low bid submitted by AGM Marine Contractors, Inc., in the amount of $6,636,050, to a high bid of $9,798,500. Mr. Lamson noted that the contract, if awarded, would cover both phases of this project: Phase 1, which will be constructed during the 2009-2010 off-season, will consist of constructing east dolphins, head dolphins and a transfer bridge for Slip 2 so that it is realigned to be parallel to Slip 1; and Phase 2, which will be constructed during the 2010-2011 off-season, will consist of constructing the high-speed ferry slip and passenger platform, and modifying the parking area for a pick-up/drop-off location and new traffic circulation patterns.

Mr. Lamson then informed the Members that management had submitted applications for federal stimulus funding for three "shovel-ready" projects, but had not yet heard whether the Authority will be receiving any federal stimulus money for any of them. Mr. Lamson stated that the three projects for which applications have been submitted are the first phase of this project, the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project, and the installation of a center dolphin at the Woods Hole terminal, for a combined amount of $5,000,000. In this regard, Mr. Lamson noted that, without this important federal financial assistance, the Authority will not be able to proceed with these projects this year.

For this reason, Mr. Lamson recommended that the Authority delay awarding this contract until the Authority is itself awarded $3,500,000 of federal stimulus funding for the project and all required agreements for such funding are finalized. Mr. Lamson stated that, in the event such documents are not in place within 30 days after the opening of the bids, which took place on May 7, 2009, the Authority would then have to obtain the lowest bidder's agreement to extend its price until such documents are finalized. If the lowest bidder declines to do so, Mr. Lamson said, the Authority would then have to reject all bids and issue a new invitation for bids for the contract.

Mr. Lamson also noted that, in addition to those three applications for funding, the Authority has applied for separate funding under the ferry boat discretionary program for the Authority's *Eagle* Mid-Life Refurbishment Project and the installation of sewage pump-out systems at the Woods Hole, Vineyard Haven and Nantucket terminals. Mr. Lamson stated that he was hoping that one of those projects might also be selected and prioritized.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #02-09 for the Hyannis Terminal Slip Improvements Project to the lowest eligible and responsible bidder for the contract, AGM Marine Contractors, Inc., of Mashpee, Massachusetts, in the amount of $6,636,050, subject to the award to the Authority of $3,500,000 of federal stimulus funding for this project and the finalization of any required agreements for such funding prior to the award of the contract.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Port Council's Report:

Mr. Huss reported that the Port Council had discussed at their meeting earlier in the month most of the items that had been considered by the Members that day, including the Authority's capital projects and Mr. Davis' analysis of rates versus cost of service for 2008. Mr. Huss also reported that the Port Council had discussed at length the various issues that have arisen over when commercial truck customers are eligible for the Authority's reduced fare for carrying solid waste or recyclable materials off of the islands, and that management would be presenting some suggestions for the Port Council's consideration at their next meeting in Hyannis on June 3, 2009.

In response to questions from the Members, Mr. Lamson explained that this reduced fare had been implemented to encourage trucking firms to back haul solid waste and recyclable materials from the islands by providing them with a 25% discount from the regular one-way fare for the off-island segment of their trip. However, Mr. Lamson said, many trucking firms had begun to request the reduced fare for carrying items off the islands that are not the types of recyclable materials contemplated by the Authority, and for carrying only a few items instead of traveling off-island with full truck loads. Mr. Lamson also noted that these issues had arisen primarily on the Nantucket route, where around 2,100 trucks had traveled at the reduced rate during 2008 compared to around 700 trucks that had traveled at that rate on the Martha's Vineyard route last year.

Mr. Lamson then informed the Members that management was leaning towards continuing to offer this type of modest incentive for trucking firms to back haul items from the islands in a more efficient manner, perhaps by allowing them to be eligible for this reduced fare regardless of the types of materials they carry off the islands, as long as their trucks are reasonably full traveling off-island. Mr. Lamson noted that this might also be the easiest policy for the Authority to enforce (as opposed to arguing over whether particular items were being carried to a recycling center or for resale). However, the Members expressed their concern over whether the Authority can afford to continue to provide this reduced fare, and observed that it also resulted in the trucking firms receiving an additional benefit (by traveling at reduced fares) while at the same time being paid to carry items off island. Accordingly, they asked Mr. Lamson to keep these considerations in mind while he continued to review the subject over the course of the next month.

New Bedford Ferry Service:

Ms. Decas informed the Members that, in order to complement NEFF's ferry service between New Bedford and Martha's Vineyard, there would be a new shuttle bus operating between the New Bedford State Pier and the Whale's Tooth parking lot this summer. Ms. Decas also noted that, while New Bedford's $12 daily parking rates were somewhat higher than the Authority's, it would be offering a two-dollar discount for vehicles with Massachusetts license plates.

Ms. Decas then announced that New Bedford had applied for $500,000 of federal stimulus money to operate a ferry service between New Bedford and Woods Hole, and said that she hoped the Authority would support this effort. In this regard, Ms. Decas observed that the previous Woods Hole ferry pilot program had demonstrated that people were willing to take the ferry between these communities, but that the pilot program's schedule was not sufficient. Mr. Marshall agreed, and suggested that Ms. Decas ask the Falmouth Chamber of Commerce for its support as well.

Tisbury Towing & Transportation Co., Inc. Lawsuit:

In response to a question from *The Martha's Vineyard Times* reporter Nelson Sigelman, Mr. Sayers reported that, on April 24, 2009, Tisbury Towing & Transportation Co., Inc. and Ralph Packer had agreed to the entry of a Stipulated Order that, during the pendency of our lawsuit, prohibits them from operating a barge to carry rental cars or other vehicles between Martha's Vineyard and the Massachusetts mainland for hire by water without a license or permission by the Authority in writing to do so. However, Mr. Sayers also noted that the Stipulated Order allows them to continue to carry cranes and other large construction equipment that cannot reasonably be carried on the Authority's vessels because of their size, and vehicles that are carried in connection with and incidental to the carriage of modular homes, bulk, break-bulk and containerized cargoes of the types carried by them in the past and are necessary for the continued transport of those homes and/or cargoes once they are unloaded from the barge.

With respect to the Authority's lawsuit against the Town of Falmouth to enjoin the Town from attempting to regulate the Authority's open air parking lots, Mr. Sayers reported that, on April 6, 2009, the Appeals Court had heard oral argument on the Town's appeal from the judgment that had been entered in the Authority's favor, and that the Authority was awaiting the Appeals Court's decision.

Authority Meeting Schedule:

In response to a request from Mr. Lamson, the Members agreed that the Authority's monthly meeting in July 2009 will take place at 9:30 a.m. on July 14, 2009, instead of July 21, 2009.

At approximately 10:28 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

June 16, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of June, 2009, beginning at 9:30 a.m., in the Discovery Room of the Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Nathaniel Lowell of Nantucket were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Customer Service and Community Relations Manager Gina Barboza; Director of Human Resources Phillip J. Parent; Director of Terminal and Parking Operations Mark Rozum; Nantucket Terminal Manager Elaine Mooney; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to approve the minutes of the Members' meeting in public session on May 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for April 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's net operating loss for that month had been around $460,000, $928,000 lower than projected, even though the Authority's operating revenues were around $372,000 lower than projected due to fewer automobiles (down 1.1%) and trucks (down 10.5%) being carried that month than in April 2008. Mr. Lamson noted that the decrease in revenues had been more than offset by decreases in operating expenses that were around $1,300,000 lower than projected, although some of those decreases were due to timing differences in the Authority's maintenance expenses.

Mr. Lamson also reported that the Authority's year-to-date operating loss through April 2009 was around $7,471,000, which was $1,536,000 lower than projected, and that the management staff was continuing to be proactive in looking at all areas of the Authority's operations for potential cost savings to offset potential additional revenue shortfalls while maintaining an adequate level of service.

Mr. Marshall then observed that the Authority was parking 800 fewer cars a month in Hyannis due to the number of other parking lots in the area that were being operated by private individuals, and he asked whether those other private lots were legal. In response, Mr. O'Brien stated that the Town of Barnstable had been attempting to police the situation, but he did not know whether it had been successful. After Mr. Jones similarly acknowledged that there were private parking lots in Hyannis of questionable legality, Mr. O'Brien suggested that the Authority institute a floating price for its lots, as the prices of the private lots appeared to change all the time. Mr. Lamson stated that he would look into the matter, and stated that the Authority might want to have a different parking price on weekdays.

Mr. Marshall also noted that the Falmouth Selectmen had just allowed a private parking lot operator to place a sign for its lot in front of the Authority's property on Palmer Avenue. Mr. Hanover asked whether the Authority could discourage patrons of that other lot from using the Authority's shuttle bus, and require passengers to show their parking tickets in order to be able to ride the bus. However, Mr. Lamson noted that the Authority allows town residents who work in Woods Hole to ride the Authority's shuttle buses as a convenience, and he stated that the problems with patrons of the private parking lots had not yet risen to the level that would warrant changing that policy.

Hyannis Slip Improvements Project:

Mr. Lamson then reported that the Authority was still waiting for word as to whether it will be receiving any money for the three projects it had submitted for federal stimulus funding – the first phase of the Hyannis Slip Improvements Project, the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project, and the installation of a center dolphin at the Woods Hole terminal. In addition, Mr. Lamson said, if the Authority does receive federal stimulus funding for the Hyannis Slip Improvements Project, it probably would have to re-bid the project in order to include in the construction contract all of the provisions now being required for all projects receiving federal stimulus funds (such as "Buy America" requirements) and the project's specifications may have to be revised to meet federal and state highway and bridge design standards. In the end, Mr. Lamson stated that it might be another two months before the Authority will be able to award the construction contract for the project, which could possibly delay it by a year.

Mr. Lamson also reported that the Authority had extended the deadline for submitting bids for the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project and the Woods Hole center dolphin installation until July 9, 2009 so that it can include the additional federal and state requirements in addenda to the invitations for bids and provide potential bidders with sufficient time to review them before submitting their bids. Mr. Lamson stated that the Authority hopefully will be informed by the time of the Members' next meeting as to what it needs to do to obtain these federal stimulus funds, and by that time might already be in the process of re-advertising the Hyannis Slip Improvements Project. On the other hand, Mr. Lamson said, the low bidder for that project had extended its price until September 2, 2009, so the Authority still had the option of awarding the contract to that bidder, albeit without the benefit of $3,500,000 of federal stimulus funds.

In response to questions from the Members, Mr. Lamson stated that there was nothing the Members could do at that time to expedite the process, although he noted that there may be a need for a special meeting in late July 2009. In this regard, Mr. Walker noted that the timing of any new award of the Hyannis Slip Improvements Project also depended upon whether the project specifications will be required to meet federal highway and bridge standards, which would result in an additional month delay. Mr. Lamson also observed that one of the requirements to be eligible for federal stimulus funds was the inclusion of a "Buy America" provision that was estimated to add $400,000 to the cost of the contract due to the need to buy fender frames in the United

States. Mr. Lamson stated that the current low bidder had planned to have those frames fabricated in China, where the rubber fenders themselves will have to be purchased in any event because there is no American supplier for the rubber fender material.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker then gave a Powerpoint presentation of the work that had been completed the prior off-season for Phase 2 of the Oak Bluffs Terminal Reconstruction Project. The presentation showed, among other things, that the remaining dolphins had been replaced and that the passenger loading platform is now thirty feet wide and built to ADA compliance up to the final passenger gangway. Mr. Walker also noted that the Authority planned to continue work on Phase 2 the next off-season, which will include construction work on the terminal building and further work on the passenger loading platform from the main slip to the terminal building.

Mr. Hanover complimented management on the great job that had been done, and asked whether the Authority could install some benches at the end of the platform so that passengers can sit down. Although Mr. Ranney said that he also felt the project has turned out well, he expressed his concern about what might happen to the facility in the event of a hurricane.

Mr. Lamson then reported that the Authority had opened the bids for the terminal building contract, which work principally consists of enlarging the building's footprint to add more accessible restrooms. However, Mr. Lamson also reported that the State Building Inspector had decided that the Authority will need to obtain a variance to undertake those renovations because the building is located in a flood zone and the lowest bid price for the work was more than 50% of the market value of the existing building. Mr. Lamson stated that the hearing on the variance would probably take place on July 2, 2009 and, if the variance is granted, the Authority will be able to award the terminal construction contract at the Members' next meeting. Meanwhile Mr. Lamson said, both the low bidder and the lowest sub-bidders had agreed to extend their prices until July 15, 2009.

Fairhaven Vessel Maintenance Facility Deed Restriction:

Mr. Sayers asked the Members to authorize Mr. Lamson to execute and record a Notice of Activity and Use Limitation (an "AUL Notice") with the Bristol County Registry of Deeds for the Authority's Fairhaven Vessel Maintenance Facility property. Mr. Sayers stated that, after recording the AUL Notice, the Authority will no longer have to monitor the property for subsurface soil and groundwater contamination, although he noted that the Authority also will not be allowed to use the property for such purposes as a daycare center, residence, athletic field, or garden.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute and record with the Bristol County Registry of Deeds a Notice of Activity and Use Limitation (the "AUL Notice") with respect to the Authority's Fairhaven Vessel Maintenance Facility property, in substantially the form attached to Staff Summary #L-379, dated June 11, 2009, and to execute all other documents and take all other actions that are necessary and appropriate to fulfill the Authority's responsibilities under the AUL Notice.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Engineering and Design Services for the
M/V Eagle Mid-Life Refurbishment Project:

Mr. Lamson asked the Members for authorization to procure engineering and design services for the *Eagle's* mid-life refurbishment from the naval architectural firm of John W. Gilbert Associates, Inc., of Hingham, Massachusetts, given its knowledge of the *Eagle* and its many years of experience in the refurbishment of similar vessels. Mr. Lamson stated that the total engineering and design estimate for the project was currently $230,000, that construction work on the project itself was expected to begin in the fall of 2010, and that major items that will be included in the work include:

(a) complete sandblasting and recoating of all exterior surfaces;

(b) pilot house modifications (including the installation of larger, forward-sloping windows for better visibility and equipment consolidation into the console);

(c) food concession area modifications;

(d) installation of a new Marine Evacuation Slide (MES) system;

(e) replacement of all exterior windows;

(f) complete replacement of the 02 deck joiner work, decking and seating (including long bench-style seating, cup holders and more electrical outlets throughout the interior passenger areas);

(g) replacement of all exterior doors;

(h) HVAC upgrades;

(i) bow thruster diesel upgrade;

(j) elevator upgrades;

(k) renovation of crew spaces;

(l) installation of new sewage and potable water tanks;

(m) modifications to the main fuel tanks;

(n) replacement of the bow and stern doors; and

(o) steel replacement as required.

In addition, Mr. Walker noted that the design work will include a feasibility study to determine whether it also makes sense to install vehicle lift decks in the vessel. In this regard, Mr. Marshall declared that good judgment appeared to compel the conclusion that the Authority should install such lift decks, given the Authority's experience with how the *Island Home's* lift decks have relieved pressure at critical times and how much longer the *Eagle* is expected to be in service.

Mr. Ranney asked Mr. Lamson if the Members could see a seating plan for the vessel for their approval, as he felt the *Eagle* should have longer benches given the need for passengers to lie down during the long trip. In response, Mr. Lamson stated that management would come back at a later date with the naval architect to present a proposed seating arrangement, as well as suggested materials and a color scheme for review by both the Members and the Port Council. However, Mr. Walker advised Mr. Ranney that the project would not include the creation of steam for the *Nobska's* whistle.

In response to a question from Mr. Jones, Mr. Walker stated that the estimated construction cost of the project was $7,000,000, including the lift decks. Further, Mr. Walker said, he felt much more comfortable with this project than with the *Nantucket's* mid-life refurbishment, since the *Eagle* does not contain any asbestos, it is 15 years younger, and its original construction has allowed the Authority access to more areas over the years.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to authorize the General Manager to engage the engineering and design services of John W. Gilbert Associates, Inc., of Hingham, Massachusetts, required to develop an invitation for bids for the mid-life refurbishment of the M/V Eagle, as recommended in Staff Summary #E 2009-9, dated June 10, 2009, for an estimated cost of $230,000, including reimbursable expenses.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Preliminary 2010 Winter and Spring Operating Schedules:

Mr. Lamson then presented management's preliminary 2010 Winter and Spring Operating Schedules, as described in Staff Summary #RCR-01-09, dated June 10, 2009, for discussion purposes only, noting that management would be discussing them further with the Port Council next month before bringing them back to the Members for their consideration at their next meeting. Mr. Lamson stated that management's preliminary winter and spring schedules were patterned after the same seasonal schedules the Authority operated in 2009, except that the winter schedule would continue for ten more days than it did this past year. Mr. Lamson also noted that, as the Authority did this past winter, during the 2010 Winter Schedule management was proposing that the *Island Home* berth overnight at Vineyard Haven on Friday and Saturday nights, which would again eliminate the 9:30 PM trip from Vineyard Haven on Friday and Saturday nights, and the 6:00 AM trip from Woods Hole on Saturday and Sunday mornings. Mr. Lamson stated that the *Island Home* would continue to berth overnight in Woods Hole during the winter the other nights of the week (Sundays through Thursdays).

Bond Resolution:

Mr. Davis then requested that the Members adopt a Bond Resolution authorizing him to issue and sell $5,000,000 of Steamship Bonds on a competitive or negotiated basis by July 30, 2009. Mr. Davis stated that the proceeds of the bonds will be used to pay $5,000,000 of currently outstanding notes that are due July 30, 2009, which were issued for the construction and refurbishment of the *Nantucket* (including without limitation the reconstruction of the deck and bridge, and the refurbishment of the vessel's seating and eating areas). After the issuance of these bonds, Mr. Davis said, the Authority will have a total of $56,530,000 of bonds outstanding, with a maximum bond authorization of $75,000,000. Mr. Davis also noted that the Authority's annual debt service payments will be between $6,600,000 and $6,900,000 for each of the next seven years, and then drop off to around $5,200,000 in years 2017 through 2021.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to adopt the Bond Resolution attached to Staff Summary #A-507, dated June 11, 2009 authorizing the Treasurer/Comptroller to issue and sell $5,000,000 in Steamship Bonds on a competitive or a negotiated basis not later than July 30, 2009 pursuant to an Official Notice of Sale, and at a price not less than par and accrued interest.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

2010 Budget Policy Statement:

Mr. Davis requested that the Members approve management's proposed 2010 Budget Policy Statement that sets forth the guidelines to be used by management in preparing the Authority's 2010 Operating Budget. Mr. Davis stated that the proposed 2010 Budget Policy Statement requires management, among other things, to identify significant terminal repairs and maintenance that will need to be accomplished, to schedule the vessels that will be dry-docked (the *Eagle*, the *Nantucket*, the *Sankaty* and the *Iyanough*), to take into account the Authority's expected training expenses due to the continuation of STCW basic training and other programs, and to factor in health care and insurance costs.

Mr. Davis noted that, once again, the most difficult expense to estimate for next year will be the cost of fuel oil. However, Mr. Davis said, as a result of the hedge program for vessel fuel the Authority instituted a few months ago, the Authority's fuel oil requirements for the first half of 2010 were already effectively capped at an average cost of $3.05 per gallon. Mr. Davis further noted that the budgeted cost of vessel fuel oil for the remainder of 2010 will likely be higher, and will be based on oil price forecasts plus the premium cost for future hedging.

Mr. Davis stated that, after management completes its budget process, a preliminary budget will be presented to both the Port Council and the Members for discussion in September, and that the final version of the budget will be presented to the Members in October for approval.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to adopt the 2010 Budget Policy Statement as recommended by management in Staff Summary #A-508, dated June 11, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Port Council's Report:

Mr. Huss reported that the Port Council had discussed at their meeting earlier in the month most of the items that had been considered by the Members that day, including the Authority's capital projects and the difficulties the Authority was having obtaining federal stimulus funding. Mr. Huss also reported that the Port Council had voted to support management's proposed 2010 Budget Policy Statement and had reviewed the preliminary 2010 Winter and Spring Operating Schedules, which appeared pretty good. Mr. Huss noted that the Port Council had tabled the subject of what should be the eligibility requirements for trucks to receive a discounted fare for carrying solid waste and recyclable materials from the islands until management and Mr. Lowell have an opportunity to investigate the issues further. In response to a question from Mr. Ranney, Mr. Lamson confirmed that management would be meeting as well with someone from the Town of Nantucket's administration regarding this matter.

New England Fast Ferry:

Mr. Marshall then asked Michael Glasfeld of New England Fast Ferry Company, LLC ("NEFF") to consider once again the possibility of having its ferries stop in Woods Hole on their way between New Bedford and Martha's Vineyard, and he stated that Mr. Hanover would also support a reasonable test of that endeavor. Mr. Marshall observed that the most recent attempt to provide service on this route by the City of New Bedford, while commendable, suffered from a poorly designed schedule, and he declared that better timed morning and afternoon stops would make the service far more successful. Ultimately, Mr. Marshall said, he felt that it would be worthwhile for both the Authority and NEFF to consider this subject one more time.

Mr. Glasfeld thanked Mr. Marshall for raising this subject again, and he stated that NEFF similarly had discussed the possibilities for such a service with the Mayor of New Bedford. Mr. Glasfeld noted that there was an inherent conflict between the high-speed service that NEFF was providing between New Bedford and Martha's Vineyard and making a stop along the way in Woods Hole, which would result in its service becoming a slow-speed one. However, Mr. Glasfield observed that an alternative might be to operate a separate dedicated slow-speed boat and market that service to those who desire a low cost travel option to the island. Meanwhile, Mr. Glasfeld said, NEFF was attempting to operate an efficient high-speed service that is able to attract price conscious customers.

In response, Mr. Marshall stated that he respectfully disagreed with the notion that a stop in Woods Hole would significantly increase the time it takes to travel between New Bedford and Martha's Vineyard, observing that such a stop would add at most ten minutes to the trip. But Mr. Glasfeld stated that the stop would add a half-hour because of the need for the vessel to go out of the channel.

Wi-Fi Service:

Mr. Lamson reported that, in response to complaints earlier in the year about the Authority's need to block access to certain websites on its free wi-fi service due to its limited bandwidth, the Authority had doubled the bandwidth and allowed access to most websites, including MySpace and Facebook. However, Mr. Lamson noted that, even with twice the bandwidth capacity the Authority still has to block access to certain video-based sites due to the limitations of its current system.

Mr. O'Brien declared that the wi-fi service already being provided by the Authority was excellent. Mr. Huss agreed, and recounted how Ms. Claffey had been very responsive to a problem that a customer recently had with the service, including calling the customer personally, and how other employees in the computer department similarly had been extremely prompt and helpful in addressing these types of problems.

Public Comment:

Mr. Lowell asked that the record reflect that the Authority's Falmouth Member this day had requested more traffic in Falmouth. Mr. Lowell also suggested that NEFF consider providing ferry service between the islands that would allow customers to visit the other island and return the same day. Meanwhile, Mr. Lowell said, the Authority should sell alcoholic beverages on its ferries in addition to beer and wine.

Mr. Ranney stated that he had received several compliments about the quality of service and helpful attitude that terminal employees at both Hyannis and Nantucket have shown the Authority's customers. Nantucket resident Phil Gallagher, who said that he travels on the Authority's slow boats perhaps once a week, similarly recounted his good experiences with Authority employees on a regular basis over the past year.,

In response to a request from Mr. Ranney, Mr. Walker stated that he would provide the Members with a cost analysis of installing solar panels whenever the Authority performs repair work at its facilities or engages in new construction.

At approximately 10:56 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	AYE	NAY
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

July 14, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 14th day of July, 2009, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Jessica Fernandes of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Customer Service and Community Relations Manager Gina Barboza; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark Rozum; Port Captain Charles G. Gifford; Hyannis Terminal Manager Steven Perkins; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to approve the minutes of the Members' meeting in public session on June 16, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for May 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's traffic numbers that month had shown a slight improvement when compared to the same month the previous year, with the Authority carrying more passengers (up 1.5%) and more automobiles (up 1.7%), although fewer trucks (down 8.8%) were carried, particularly on the Nantucket route (down 19%). As a result, Mr. Lamson said, the Authority's operating revenues for the month were $407,000 lower than projected, but once again had been more than offset by lower operating expenses, which were $1,071,000 lower in May than projected in the Authority's operating budget. In this regard, Mr. Lamson observed that the Authority continued to see cost savings in almost every main category of its operating budget, and that one of the biggest savings was in the cost of vessel fuel oil, where the Authority's actual vessel expenses were $528,000 lower than projected.

Mr. Lamson reported that the Authority's net operating income for the month had been $1,181,000, $647,000 higher than what had been projected; that the year-to-date operating loss through May had been $6,290,000, $2,183,000 lower than what had been projected; that the Authority's cash balances remained strong; and that management was projecting that the Authority will be able, over the following five months, to transfer the amount needed to meet its sinking fund requirements through March 1, 2010, to make the maximum transfers to the replacement fund and to make any remaining transfers to the bond redemption account.

In response to questions from the Members, Mr. Lamson stated that part of the savings in vessel fuel expense was the result of the Authority consuming less fuel than budgeted (around 27,000 gallons), due in part to the fact that the Authority reduced its operating schedules during the month of May from what had been approved when the budget was prepared.

Federal Stimulus Funding for the
Authority's Capital Improvement Projects:

Mr. Lamson then reported that the Authority was still waiting for word as to whether the Federal Highway Administration will approve the design, plans and specifications for the three projects the Authority had submitted for a total of $5,000,000 of federal stimulus funding – the first phase of the Hyannis Slip

Improvements Project, the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project, and the installation of a center dolphin at the Woods Hole terminal. Mr. Lamson noted that none of those projects were engineered to the Federal Highway Administration's current design standards for highways and bridges and that, as a result, the Authority's engineers have been required to perform some additional analysis relative to the design of the new transfer bridge for the Hyannis terminal using different load resistance factor design criteria.

Mr. Lamson stated that management hoped to have further discussions the following week with the Federal Highway Administration and the Massachusetts Highway Department, and that Massachusetts Secretary of Transportation James A. Aloisi had been very supportive of the Authority's efforts to get all of these projects started this fall. In order to do so, Mr. Lamson said, there may need to be a special Authority meeting within the next two weeks or so to award the contracts in time to have the respective contractors place their orders for steel pipe pile in time for the next steel mill rolling that is currently scheduled for the week of August 10, 2009. Mr. Lamson cautioned, however, that if the contractor for the Hyannis Slip Improvements Project cannot obtain its steel pipe piles from the August rolling, the general consensus was that the project will have to be delayed a year because there would be insufficient time to drive the piles and finish the work before the Authority needs to have both slips operational for the 2010 Spring Operating Schedule.

Mr. Lamson reported that bids for the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project and the Woods Hole center dolphin installation were scheduled to be opened on July 23, 2009, and that the Hyannis Slip Improvements Project had been re-advertised with bids scheduled to be opened on July 29, 2009. However, Mr. Lamson said, those dates could change if the Authority experiences any further delays in obtaining approvals to proceed from the Federal Highway Administration and the Massachusetts Highway Department.

<u>2010 Winter and Spring Operating Schedules</u>:

Mr. Lamson presented management's proposed 2010 Winter and Spring Operating Schedules, as described in Staff Summary #RCR-02-09, dated July 9, 2009, noting that they did not contain any revisions from the preliminary versions that had been presented last month for public review. Mr. Lamson stated that the proposed winter and spring schedules were patterned after the same seasonal schedules the Authority operated in 2009, except that the proposed winter schedule would continue through April 13, 2010, ten more days than it did this past year. In addition, Mr. Lamson said, at their meeting earlier in the month, the Port Council had voted to recommend that the Members approve the operating schedules as proposed.

In response to a question from Mr. Ranney, Mr. Lamson stated that there were two principal reasons for extending the winter schedule, namely, to realize some cost savings and respond to a reduction in demand, observing that the Authority consistently had been carrying 20% fewer trucks this year than it did in 2008. In addition, Mr. Lamson said, the extra ten days will allow a longer construction window for the Hyannis Slip Improvements Project. Nevertheless, Mr. Lamson noted that if it turns out that extra service is needed during that time period, the Authority will be able to operate extra trips with freight boats on both routes by paying overtime to the crews assigned to those boats.

Mr. Lamson also reported that the Nantucket Cottage Hospital had assured management that there would not be any problems with transporting its MRI trailer for the three-week time period during the 2010 Winter Schedule (beginning March 24, 2010) when the *Nantucket* replaces the *Eagle* on the Nantucket route, and that the hospital was even considering leaving the trailer on the island for most of the winter.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to approve the 2010 Winter and Spring Operating Schedules in the form proposed by management in Staff Summary #RCR 02-09, dated July 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Coastwise Wharf Co.'s Federal Permit for the
Shenandoah's Mooring in Vineyard Haven Harbor:

Mr. Sayers then requested that the Members approve an agreement between the Authority, the Town of Tisbury and Robert S. Douglas (as well as Mr. Douglas' Black Dog Tall Ship companies) pursuant to which all of the parties would request the U.S. Army Corps of Engineers to modify Mr. Douglas' permit for the *Shenandoah's* mooring in Vineyard Haven harbor so that the boat will be moved 50 feet away from the harbor's federal navigation channel. Mr. Sayers stated that, assuming the agreement is signed by all of the parties this week, and depending upon how quickly the Army Corps responds to their joint request, the *Shenandoah's* mooring could be relocated and modified by the end of the year. Mr. Sayers also noted that, under the agreement, the Authority also would reimburse Mr. Douglas for 50% of his reasonable out-of-pocket expenses to move the mooring, up to a maximum of $3,000.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Hanover -- as follows:

1. **to approve the agreement, in substantially the form attached to Staff Summary #L-382, dated July 9, 2009, among Robert S. Douglas and the Black Dog Tall Ship companies (collectively "Coastwise"), the Town of Tisbury and the Authority pursuant to which Coastwise will move and reconfigure its moorings in Vineyard Haven harbor so that the *Shenandoah* and the *Alabama* will never be closer than 50 feet and 38 feet, respectively, to the federal navigation channel;**

2. **to authorize the General Manager to execute the agreement on behalf of the Authority; and**

3. **to authorize management to take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the agreement;**

provided that the agreement is executed by all parties no later than July 28, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

New England Fast Ferry:

Mr. Lamson requested that the Members approve a dockage agreement with New England Fast Ferry Company, LLC ("NEFF") so that NEFF can load and unload passengers at the Authority's Oak Bluffs terminal for the New York – Oak Bluffs passenger high-speed ferry service it will continue to provide on weekends for the rest of summer through the Labor Day weekend. Mr. Lamson stated that NEFF's planned operating schedule calls for departures from New York City at 4:00 PM on Fridays with arrivals at Oak Bluffs between 10:00 PM and 10:30 PM, and return departures from Oak Bluffs at 4:00 PM on Sundays (except for Labor Day weekend, when it will depart on Monday), arriving in New York at around 10:00 PM; that, pursuant to the dockage agreement, NEFF will pay the Authority a dockage fee of $2.00 per passenger in either direction, and will reimburse the Authority for any incremental expenses incurred as a result of its service (such as having to keep the Oak Bluffs terminal staffed beyond the Authority's own last departure from Oak Bluffs at 8:30 PM on Fridays).

In response to a question from Mr. Tierney, NEFF Vice Chairman Andrew Langlois stated that he did not expect this New York – Oak Bluffs weekend service to affect the high-speed ferry service between New Bedford and Martha's Vineyard. Mr. Langlois noted that a number of passengers who took the service over the Independence Day weekend had stated that they instead would have taken the high-speed ferry from Quonset Point in Rhode Island or would have ridden the bus from New York. Indeed, Mr. Langlois said, the feeling was that the increased visibility of the New Bedford service may result in it attracting more customers in the future.

Also in response to a question from Mr. Tierney, Mr. Langlois stated that, because so many different forces affect the market for ferry passengers, it would be difficult to calculate the impact that the New York – Oak Bluffs service has on the New Bedford service. Nevertheless, Mr. Langlois said, NEFF would attempt to track what arrangements its weekend New York customers would have made in the absence of the service from mid-town Manhattan.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the request from New England Fast Ferry Company, LLC ("NEFF") to dock one of its New York-based fast ferries at the Oak Bluffs terminal on the dates specified in NEFF's letter dated July 9, 2009, and to authorize the General Manager to execute a Dockage Facilities Agreement with NEFF for those dockings on the same terms and conditions as those set forth in a previous Dockage Facilities Agreement with NEFF, dated April 21, 2009, as recommended by management in Staff Summary #GM-542, dated July 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Mr. Langlois then advised the Members that, after discussing the subject with the Port Council at their meeting next month, NEFF would be requesting permission from the Authority to make its New Bedford-Martha's Vineyard ferry service a seasonal service, eliminating its trips during the months of December through March due to lack of demand. In this regard, Mr. Langlois noted that, this past winter, NEFF averaged only five passengers per trip and that the revenues did not even cover the cost of the 41,000 gallons of fuel its vessel consumed during that period. Mr. Langlois stated that, by eliminating its trips during the winter, the service for the rest of the year would then be on a much stronger financial footing.

On the other hand, in response to a question from Mr. Marshall, NEFF's Michael Glasfeld announced that NEFF was investigating the possibility of providing a "triangular" service next year between New Bedford, Woods Hole and Martha's Vineyard, and reported that he had met with New Bedford Mayor Scott W. Lang the previous day to see whether there might be some funding for this endeavor. Mr. Marshall declared that the test of this new service had to take place at an appropriate time (not the end of the summer season) and with an appropriate sailing schedule so that it has the best chance of success. New Bedford Harbor Development Commission Executive Director Kristin Decas agreed, and stated that the City of New Bedford was looking forward to working with the Authority on this experiment and making certain that it is successful.

Treasurer's Report:

Mr. Davis reported that the Authority had carried 4.8% fewer passengers in June 2009 than it had the same month in 2008 (with passenger traffic on the Martha's Vineyard route down by 4.0% and on the Nantucket route down by 7.8%), that it similarly had carried 1.2% fewer automobiles (with automobile traffic on the Martha's Vineyard route up by 0.1% and on the Nantucket route down by 8.2%), and that it similarly had carried 3.6% fewer trucks (with truck traffic on the Martha's Vineyard route remaining relatively flat and on the Nantucket route down by 10.9%). Mr. Davis suggested that one reason for the overall decrease in traffic may have been the weather, observing that the average high temperature in June 2009 was 6.5 degrees cooler than in June 2008, that there had been almost an inch more of rain in June 2009 than in June 2008, and that the month had 17 days with measurable precipitation, compared to only 10 days in June 2008.

As a result, Mr. Davis reported, the Authority's overall revenues for the month of June were expected to be $675,000 lower than projected, although he noted that the Authority's expenses for the month were also expected to be around $400,000 lower than projected, resulting in a net operating income for the month of around $2,200,000. Mr. Davis stated that fuel costs had come in around $475,000 lower than projected, due both to a lower price per gallon (averaging $1.966 versus the budget estimate of $3.45) and the fact that the Authority consumed 19,000 fewer gallons than expected for the month. In this regard, Mr. Davis observed that, year-to-date, there had been a 3.8% reduction in the *Iyanough's* fuel consumption compared to 2008.

Mr. Davis also reported that the Authority's net operating loss for the first six months of 2009 was expected to end up around $4,000,000, which was $1,900,000 lower than expected. Finally, Mr. Davis noted that, through June 2009, the Authority had sold 1,311 10-ride ticket books for the *Iyanough*, representing a 12% increase in the number of such books sold during the same period in 2008.

Oak Bluffs Terminal Building Construction Contract:

Mr. Lamson then requested that the Members award Contract No. 04-09A for the re-construction of the Oak Bluffs terminal building to the lowest eligible and responsible bidder for the contract, Nauset Construction Corp. of Needham, Massachusetts, for a total contract price of $876,058. Mr. Lamson stated that work under the contract will include razing the existing building down to its foundation and erecting a new enhanced building in its place, including additional bathroom facilities. Mr. Lamson also noted that the building required a building code variance from the flood plain management regulations, and that the State Building Code Appeals Board had approved the Authority's request for such a variance on July 2, 2009. Finally, Mr. Lamson stated that this contract did not involve any federal stimulus funding, that the contractor was scheduled to mobilize by mid-October 2009, and that construction should be completed by mid-April 2010.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 04-09A for the re-construction of the Oak Bluffs terminal building to the lowest eligible and responsible bidder for the contract, Nauset Construction Corp. of Needham, Massachusetts, for a total contract price of $876,058, as recommended by management in Staff Summary #E 2009-10, dated July 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Palmer Avenue Settling Pond & Catch Basin Cleanout Contract:

Mr. Lamson requested that the Members award Contract No. 06-09 to clean out the Palmer Avenue parking lot settling pond and catch basins to the lowest eligible and responsible bidder for the contract, Robert B. Our Co., Inc. of Harwich, Massachusetts, for a total contract price of $29,800. Mr. Lamson noted that the settling pond of the Palmer Avenue parking lot collects drainage from the front portion of the lot, but that the pond was no longer draining properly because, over time, it has become overgrown with brush and filled with silt and dead leaves. Similarly, Mr. Lamson said, the catch basins in the back lot are no longer draining properly because they have become clogged with silt. Mr. Lamson stated that the work under the contract will restore the draining capacity of both the pond and the catch basins by removing the silt and the old fouled drainage materials, replacing them with new drainage materials, and adding a geotech filter fabric to try and prevent silt from again fouling these drainage areas in the future. Finally, Mr. Lamson reported that the contractor was scheduled to mobilize immediately, and that the work should be completed within two weeks.

In response to concerns raised by the Members over the wide disparity among the amounts of the bids, Mr. Walker assured the Members that Robert B. Our Co., Inc. had an excellent reputation on Cape Cod and the Islands, and that he was confident it would perform the contract as required.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 06-09 to clean out the Palmer Avenue parking lot settling pond and catch basins to the lowest eligible and responsible bidder for the contract, Robert B. Our Co., Inc. of Harwich, Massachusetts, for a total contract price of $29,800, as recommended by management in Staff Summary #E 2009-11, dated July 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council had welcomed their new member from New Bedford, Jessica Fernandes, who has now brought the Port Council to its full force of seven members. Mr. Huss also reported that Mr. Lamson had similarly reviewed the problems the Authority was facing in its attempts to obtain federal stimulus funding for its capital projects. Further, Mr. Huss said, the Port Council reviewed the proposed 2010 Winter and Spring Operating Schedules, and all of the Port Council members agreed that they were good.

Mr. Huss also reported that the Port Council had deferred discussion of what should be the eligibility requirements for trucks to receive a discounted fare for carrying solid waste and recyclable materials from the islands in order to give Nantucket Port Council member Nathaniel Lowell the opportunity to disclose to the Nantucket Board of Selectmen his employer's financial interest in the matter. In response to a question from Mr. Huss, Mr. Sayers confirmed that Mr. Lowell since had made that disclosure and that the Nantucket Board of Selectmen had voted to allow him to participate in that discussion.

Terminal Information Displays:

In response to a question from Mr. Ranney, Ms. McHugh stated that management had redoubled its efforts to sell advertising on the information video screens inside each of the Authority's terminals, but that businesses were not willing to spend even $50 a month for such advertising. Ms. McHugh noted that this was particularly true with respect to Nantucket businesses, although she was having more success selling these advertising spaces to businesses on Martha's Vineyard.

Reservations:

In response to a question from Mr. Hanover, Ms. Barboza reported that there were only six days during the rest of the summer season for which no vehicle reservations were available on the Martha's Vineyard route, and that reservations were available for all of the other days, although most of those openings feel either early in the morning or late at night.

Nantucket Triathlon:

Mr. Ranney then reported that the Nantucket Triathlon had been a great success, and to him it represented a significant broadening of the Authority's attitude towards marketing and attracting new business. Mr. Ranney also expressed the appreciation of his son, Jamie Ranney, who was the event's Race Director, for the Authority's huge leap of faith in sponsoring the event, and he expressed his hope that the Authority could do it again in 2010. Ms. McHugh noted that, as the event's sponsor, the Authority gave $25 gift cards, reduced fares and one-day parking passes. Further, Ms. McHugh said, based upon her calculations, the event actually resulted in the Authority gaining more business and not losing money through those marketing efforts.

Marketing:

Mr. Lamson recounted how, several months ago, Mr. Ranney had asked him whether the Authority should consider issuing a request for proposals from marketing and advertising firms, and that they had agreed to wait until mid-summer to decide whether a change in the Authority's marketing firm may be needed. In this regard, Mr. Lamson noted that the Authority was in its seventh year working with Pierce-Cote Advertising, and he was completely satisfied with the service the Authority receives from that firm. Accordingly, Mr. Lamson said that, although the Members could decide to issue a request for proposals, he did not see a need at this time to go through such a process, and felt the Authority should continue with the advertising program that has been developed.

Mr. Ranney stated that he would like to keep an open mind about engaging the services of another marketing firm because it may provide the Authority with new ideas. However, Mr. Ranney said, he did not feel strongly about it one way or the other.

Mr. Marshall declared that, while there is always a need to tweak the Authority's advertising and promotions, the issue was whether the Members believe that the Authority's current firm is capable of freshening the Authority's message or whether the Authority needs new people to accomplish that. In this regard, Mr. Marshall expressed his opinion that currently a pretty good job was being done, with "price" and "schedule" at the top of the Authority's message list, but that perhaps the Authority should send a message to Pierce-Cote Advertising that it needs to dig deeper to see whether there are other messages to which the Authority should move.

Mr. O'Brien similarly expressed his opinion that the Authority's marketing efforts appeared to be going pretty well now, and Mr. Tierney also cautioned that, if the program isn't broken, the Members should not try to fix it. Noting how the Authority had several brainstorming sessions about its marketing program in 2008 with the Members and the Port Council, Mr. Jones observed that a number of good ideas came out of those sessions and he suggested that the Authority may want to have some more of those sessions again.

Mr. Lamson then suggested that the Members and Port Council instead could establish a sub-committee to participate in the sessions that management has with Pierce-Cote Advertising on a monthly basis so that they know what is being done. The Members agreed, and Messrs. Hanover and Marshall stated that they would be happy to participate. Mr. Huss similarly stated that the Port Council would appoint two of its members for this purpose as well.

Accident at Fairhaven Vessel Maintenance Facility:

In response to concern expressed by Mr. Tierney, Mr. Lamson reported that the employee who was recently injured in an accident at the Authority's Fairhaven Vessel Maintenance Facility appeared to be doing well, and that he had been released from the hospital after having been kept there overnight for observation. Mr. Lamson and the Members then discussed how the accident happened, and they all agreed that, although the Authority is not subject to the Occupational Safety and Health Act ("OSHA"), it nevertheless should attempt to follow OSHA standards for safety-related work practices when appropriate.

Public Comment:

Nantucket resident Phil Gallagher complimented the Authority for the advertisement it places every year welcoming individuals with disabilities, and he suggested that the Authority might also want to tell the public everything that the Authority does to make their travel with the Authority accessible.

At approximately 10:43 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

July 31, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 31st day of July, 2009, beginning at 2:20 p.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council member Robert R. Jones of Barnstable was also present, as were the following members of management: General Manager Wayne C. Lamson; Director of Engineering and Maintenance Carl R. Walker; Hyannis Terminal Manager Steven Perkins; and General Counsel Steven M. Sayers.

Federal Stimulus Funding for the
Authority's Capital Improvement Projects:

Mr. Lamson reported that, earlier in the week, the Federal Highway Administration had authorized the Authority to proceed with the three projects the Authority had submitted for a total of $5,000,000 of federal stimulus funding – the first phase of the Hyannis Slip Improvements Project, the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project, and the installation of a center dolphin at the Woods Hole terminal. Accordingly, Mr. Lamson said, this past Wednesday the Authority opened bids for all three projects, and the purpose of today's meeting was to award construction contracts to the lowest eligible and responsible bidders for the projects.

Hyannis Terminal Slip Improvements Project:

Mr. Lamson requested that the Members award Contract No. 02-09R for the Hyannis Terminal Slip Improvements to the lowest eligible and responsible bidder for the contract, AGM Marine Contractors, Inc., of Mashpee, Massachusetts, in the amount of $6,808,900. Mr. Lamson noted that AGM Marine Contractors, Inc. similarly had been the lowest eligible and responsible bidder for the contract when bids for the prior version of the contract had been opened in May 2009. At that time, Mr. Lamson said, AGM Marine Contractors, Inc.'s bid price had been $6,636,050 and that, by comparison, the Authority's engineer had estimated the work to cost approximately $7,200,000.

Mr. Lamson reported that the project will be constructed in two phases:

(a) Phase 1 – which will take place this upcoming off-season – will include the replacement and re-alignment of existing Slip #2, and the replacement of Slip #2's existing 35-foot transfer bridge with a new 50-foot transfer bridge that will increase vehicle loading/unloading efficiency during all tide cycles; and

(b) Phase 2 – which will take place during the 2010-2011 off-season – will include the construction of a new dedicated berth for the Authority's high-speed passenger ferry (including a floating dock, a small pier and passenger gangways) within the footprint of the existing ferry operations footprint, the construction of a new 30-foot by 200-foot timber decked wharf over the existing stone riprap, and modifications to the passenger pick-up/drop-off area adjacent to the new high-speed ferry berth.

Mr. Lamson also reported that the Authority will be receiving $3,500,000 in federal stimulus funding for this project under the American Recovery and Reinvestment Act (ARRA).

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to award Contract No. 02-09R for the Hyannis Terminal Slip Improvements to the lowest eligible and responsible bidder for the contract, AGM Marine Contractors, Inc., of Mashpee, Massachusetts, for a total contract price of $6,808,900, as recommended by management in Staff Summary #E 2009-8R, dated July 30, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Oak Bluffs Terminal Reconstruction Project:

Mr. Lamson then requested that the Members award Contract No. 04-09B for the continuation of the Oak Bluffs Terminal Dock Reconstruction to the lowest eligible and responsible bidder for the contract, C.R.C. Co., Inc. of Quincy, Massachusetts, in the amount of $3,989,020. Mr. Lamson stated that this project, which is scheduled to begin in October 2009 and be completed in April 2010, includes the replacement of the existing passenger walkway from the terminal to the dock with a new wider and covered walkway located to the south of the main pier (which will allow for an additional staging lane on the pier), modifications to the passenger pick-up/drop-off area on Seaview Avenue, and the construction of a new passenger pavilion to the south of the terminal.

Mr. Lamson reported that the Authority will be receiving $1,050,000 in federal stimulus funding for this project under the American Recovery and Reinvestment Act (ARRA). Mr. Lamson also noted that, at their meeting earlier that month, the Members had awarded a separate contract for the reconstruction of the Oak Bluffs terminal building to Nauset Construction Corp. of Needham, Massachusetts, for a total contract price of $876,058. Mr. Lamson stated that work under that contract is similarly scheduled to begin in October 2009 and be completed by April 2010.

In response to a question from Mr. Hanover, Mr. Walker stated that, although the Authority has not previously had any business with C.R.C. Co., Inc., he was familiar with the firm and felt confident it would be able to perform the contract. Mr. Lamson also noted that the firm had been pre-qualified for the work by the Massachusetts Highway Department. In addition, Mr. Lamson said, the Authority will be having weekly progress meetings with the contractor, and those meetings may also include representatives from the Massachusetts Highway Department and the Federal Highway Administration.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to award Contract No. 04-09B for the Oak Bluffs Terminal Dock Reconstruction to the lowest eligible and responsible bidder for the contract, C.R.C. Co., Inc., of Quincy, Massachusetts, for a total contract price of $3,989,020, as recommended by management in Staff Summary #E 2009-12, dated July 30 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Wood Hole Center Dolphin:

Mr. Lamson then requested that the Members award Contract No. 05-09 for the construction of a new Woods Hole Center Dolphin to the lowest eligible and responsible bidder for the contract, Pihl Inc., of Canton, Massachusetts, in the amount of $473,524. Mr. Lamson noted that the new eight-foot diameter monopile dolphin will be constructed between Slips #1 and #2 to assist with docking and overnight mooring operations, and its configuration will allow the monopile to act as both a mooring dolphin and a turning dolphin. Mr. Lamson further noted that it will also allow the Authority's larger passenger ferries to be adequately moored in Slip #2 during high wind conditions.

Mr. Lamson reported that the Authority will be receiving $450,000 in federal stimulus funding for this project under the American Recovery and Reinvestment Act (ARRA), and that the contractor is scheduled to begin installation in late October and complete the work in four to six weeks.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Marshall -- to award Contract No. 05-09 for the construction of a new Woods Hole Center Dolphin to the lowest eligible and responsible bidder for the contract, Pihl Inc., of Canton, Massachusetts, for a total contract price of $473,524, as recommended by management in Staff Summary #E 2009-13, dated July 30 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Federal Stimulus Funding for the
Authority's Capital Improvement Projects:

Mr. Lamson observed that, in light of the current economic conditions, the Authority might not have been able to undertake these three projects this year without the $5,000,000 of federal stimulus money. Therefore, Mr. Lamson expressed his thanks to Governor Deval Patrick, Lieutenant Governor Tim Murray and Secretary of Transportation James Aloisi. Mr. Lamson also thanked all of those in the Executive Office of Transportation who worked have tirelessly on the Authority's behalf, particularly Jeffrey Mullan, David Mohler, Rachel Bain and Guy Bresnahan. Mr. Lamson declared that all of them first made it their mission for the Authority to obtain this essential funding and then persevered through all of the approval steps that were necessary when any further delays would have prevented the Authority from starting the projects this fall.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to request the General Manager to send a letter of appreciation to those individuals in State government who were responsible for assisting the Authority in obtaining $5,000,000 of federal stimulus money.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

At approximately 2:35 p.m., Mr. O'Brien entertained a motion to adjourn the meeting.

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

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

August 18, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of August, 2009, beginning at 10:30 a.m., in the first floor meeting room of the Oak Bluffs Public Library, located at 59R School Street, Oak Bluffs, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, Port Council Secretary George J. Balco of Tisbury, and Port Council members Robert R. Jones of Barnstable and Jessica Fernandes of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Customer Service and Community Relations Manager Gina Barboza; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark Rozum; Vineyard Haven Terminal Manager Bridget Tobin; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meetings in public session on July 14 and July 31, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for June 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority's traffic numbers that month had been slightly lower than the same month the previous year due to poor weather, with 18 days of measurable levels of precipitation. During the month, the Authority carried fewer passengers (down 4.8%) fewer automobiles (down 1.2%), and fewer trucks (down 3.6%). As a result, Mr. Lamson said, the Authority's operating revenues for the month were $610,000 lower than projected, but once again had been almost entirely offset by lower operating expenses, which were $571,000 lower than projected in the Authority's operating budget. Mr. Lamson observed that one of the biggest savings in expenses was in the cost of vessel fuel oil, where the Authority's actual expenses were $471,000 lower than projected. In this regard, Mr. Lamson noted that the Authority had consumed 16,000 fewer gallons of vessel fuel oil than projected during June due to trip consolidations and lower fuel consumption levels.

Mr. Lamson reported that the Authority's net operating income for the month of June had been $2,523,000, just $58,000 lower than what had been projected, and that the year-to-date operating loss through June had been $3,767,000, around $2,124,000 lower than what had been projected.

Capital Improvement Projects:

Mr. Lamson reported that the Authority was having kick-off meetings that week with all of the contractors for the Authority's three ongoing capital improvement projects: the Hyannis Slip Improvements Project, the continuation of Phase 2 of the Oak Bluffs Terminal Reconstruction Project, and the installation of a center dolphin at the Woods Hole terminal. Mr. Lamson noted that these projects were being funded in part by grants from the federal Ferry Boat Discretionary Program and the American Recovery and Reinvestment Act, and that the remainder of the monies required for these projects would come from the Authority's Replacement Fund.

Mr. Lamson then noted that the Members had been provided with capital expenditure status reports that management would be using to track the progress of these ongoing capital projects. In this regard, Mr. Lamson stated that management's current estimates of the overall costs of those projects, including costs for design and engineering, owner-supplied materials, the Authority's own personnel costs, and allowances for contingencies, were as follows:

Hyannis Slip Improvements	\$8,535,450, less \$3,500,000 to be received in federal stimulus funds.
Oak Bluffs Reconstruction Continuation of Phase II	\$6,102,292, less \$1,050,000 to be received in federal stimulus funds.
Woods Hole Center Dolphin	\$575,876, less \$450,000 to be received in federal stimulus funds.

Mr. Lamson further reported that management was estimating that, when construction is finished next year, the total cost of the entire Oak Bluffs Reconstruction Project, will end up being around \$18,100,000, less approximately \$4,850,000 of federal funds. Mr. Lamson noted that this cost figure included all of the design and engineering for all phases of the project, the construction of Phase I a few years ago, the beginning of Phase II that was constructed last off-season, and the continuation of Phase II that will be constructed this coming off-season, including both the reconstruction of the terminal building and the additional site and pier work.

Preliminary 2010 Summer and Fall Operating Schedules:

Mr. Lamson then presented management's preliminary 2010 Summer and Fall Operating Schedules to the Members for discussion purposes only, noting that the final schedules did not need to be approved until the Members' meeting next month. Mr. Lamson stated that the preliminary schedules, as set forth in Staff Summary #RCR 03-09, dated August 12, 2009, were patterned after the same schedules as the Authority is operating during the summer and fall this year, with the following changes:

(a) Management is recommending that the 2010 Summer Schedule begin on May 20, 2010 and end on October 13, 2010, and also that the 2010 Fall Schedule then continue through Sunday, January 2, 2011, in order to accommodate higher traffic demands during the end of the holiday season.

(b) The preliminary 2010 Fall Schedule for the Nantucket route reflects management's intent to undertake the mid-life refurbishment of the *Eagle* beginning in December 2010. During the four-month period that the *Eagle* will be in the shipyard and then in overhaul, the *Nantucket* has been tentatively scheduled to provide service on the Nantucket route in its place.

(c) During the 2010 Summer Schedule for the Martha's Vineyard route, management is proposing to change the time of the *Governor's* last round trip so that it departs ten minutes earlier than this summer. This change will allow the Authority to consolidate the *Governor's* last trip to Martha's Vineyard with the *Martha's Vineyard's* last trip on those occasions when there is sufficient room on the *Martha's Vineyard* to carry all of the vehicles reserved for both trips.

New England Fast Ferry:

Mr. Lamson then stated that management was recommending that the Members approve a request from New England Fast Ferry Company ("NEFF") for permission to make its New Bedford-Martha's Vineyard ferry service a seasonal service by eliminating its trips during the months of December through March, provided that the license fee formula contained in NEFF's license agreement is modified so that the Authority derives at least the same amount of license fees from the service on an annual basis. Mr. Lamson noted that for the last several years NEFF had attempted to promote its winter service while at the same time modifying its operating schedule to improve its economics, but there had not been sufficient demand for this winter service to require its continued operation. In this regard, Mr. Lamson observed that NEFF had averaged only five passengers per trip during the past winter, while at the same time burning 41,000 gallons of fuel. Finally, Mr. Lamson reported that the Port Council, at their meeting earlier that month, had unanimously voted to support management's recommendation that NEFF's request be approved with a revised license fee formula.

However, Mr. Tierney moved that the Members table any consideration of NEFF's request until their meeting next month, saying that he understood that New Bedford Mayor Scott Lang was attempting to develop alternatives to allow the service to continue operating throughout the winter without increasing NEFF's operating losses. Kristin Decas, Executive Director of the New Bedford

Harbor Development Commission ("NBHDC"), noted that NEFF was also under contract with the NBHDC, so in any event NEFF's request to discontinue its winter service would have to be approved by the NBHDC as well.

In response to a question, NEFF's Michael Glasfeld stated that a month's delay in approving the request would not help his efforts to publish NEFF's schedules for next year or for the remainder of 2009. Mr. Glasfeld also noted that the delay would similarly present problems for NEFF in figuring out what it will be doing with its employees during the winter season. Mr. Marshall declared that he completely sympathized with NEFF's revenue situation, and that he did not want Mr. Glasfeld to think that the Members were taking this matter lightly. However, Mr. Marshall observed that in light of all of the effort that has been made over the past seven years to establish year-round passenger service between New Bedford and Martha's Vineyard, it would not be prudent to allow the service to be suspended during the winter months until every opportunity has been pursued to preserve it.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Marshall -- to table until the Members' meeting next month any consideration of the request from New England Fast Ferry Company, LLC ("NEFF") for permission to make its New Bedford-Martha's Vineyard ferry service a seasonal service by eliminating its trips during the months of December through March.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Treasurer's Report:

Mr. Davis reported that the Authority had carried 2.5% more passengers in July 2009 than it had the same month in 2008, and that it similarly had carried 3.6% more automobiles; but that it had carried 5.9% fewer trucks. As a result, Mr. Davis reported, the Authority's overall revenues for the month of July were expected to be $250,000 lower than projected. However, Mr. Davis noted that the Authority's expenses for the month were also expected to be around $500,000 lower than projected, due primarily to fuel costs coming in around $480,000 lower than projected because of both a lower price per gallon (averaging $1.89 versus the budget estimate of $3.45) and the fact that the Authority consumed 1,000 fewer gallons than expected. Mr. Davis stated that the Authority's net operating income for the month was around $5,500,000, which was around $200,000 higher than expected, and that the Authority's net operating income for the first seven months of 2009 was expected to end up around $1,700,000, which was $2,300,000 higher than expected.

Finally, Mr. Davis noted that, through July 2009, the Authority had sold 1,939 10-ride ticket books for the *Iyanough*, representing a 14% increase in the number of such books sold during the same period in 2008, and 76 discounted 6-ride Nantucket automobile books with a two-year expiration date, out of which 60% of the coupons already had been used. By comparison, Mr. Davis said, the Authority had sold only two full-fare 6-ride Nantucket automobile books with no expiration date, and 743 discounted 10-ride Martha's Vineyard automobile books, out of which 83% of the coupons already had been used.

Procurement:

Mr. Lamson asked the Members for authorization to award Contract #08-09 for dry-dock and overhaul services for the *Gay Head* to the lowest eligible and responsible bidder for the contract when the bids are opened early the following month. Mr. Lamson stated that, unfortunately, management had not issued its invitation for bids for this contract in sufficient time for the bids to be opened prior to this meeting, and he noted that, as a result, he needed authorization to award the contract because the boat was currently scheduled to go to the shipyard before the Members' next meeting on September 15, 2009.

After Mr. Lamson reported that the budget estimate for the proposed contract work was $290,000 and the Members expressed some discomfort in providing Mr. Lamson with authorization to award the contract regardless of the amount of the total contract price, Mr. Tierney suggested (by moving to amend the motion that ultimately was voted on) that Mr. Lamson be authorized to award the contract only if the amount does not exceed $325,000. However, after further discussion of the time-sensitive nature of the required contract work, Mr. Tierney withdrew his motion to amend. Instead, the Members agreed that they would rely on Mr. Lamson's stated intention to award the contract only if the amount seems reasonable in relation to the work that needs to be done. In addition, Mr. Walker advised the Members that, due to the routine nature of the proposed contract work, he anticipated that the shipyards who normally perform contract work for the Authority would be submitting bids with reasonable prices.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract No. 08-09 for the dry-dock and overhaul of the M/V Gay Head to the lowest eligible and responsible bidder for the contract upon the opening of the bids therefor, as recommended by management in Staff Summary #E 2009-14, dated August 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council, after hearing the financial problems of New England Fast Ferry ("NEFF") due to its winter service, had agreed that it would be appropriate to allow NEFF to discontinue the service, but only also after noting that NEFF would resume it if conditions improved. Mr. Huss further reported that the Port Council had reviewed the preliminary 2010 Summer and Fall Operating Schedules, and had once again discussed what should be the eligibility requirements for trucks to receive a discounted fare for carrying solid waste and recyclable materials from the islands, observing that management would be presenting them with a proposed policy on this subject at a later date.

Mr. Huss also stated that Mr. Balco had asked management for a report showing how much discounted travel the Authority was providing to island towns and schools, so that the public would be aware of all the benefits the Authority was providing to their communities. In addition, Mr. Huss noted that the Port Council had decided not to appoint any of their members to an advertising and marketing committee, suggesting instead that management hold an extended meeting on this subject with the Members and the Port Council only once or twice a year, as had successfully been done last year. On the other hand, Mr. Huss said, three Port Council members would be attending the meeting the next day with the Authority's independent auditors and the Members' audit committee.

Finally, after announcing that the next month's Port Council meeting had been rescheduled to September 9, 2009, Mr. Huss thanked the Members for holding their meeting today in his port of Oak Bluffs.

Marketing:

Mr. Hanover reported that, the previous week, he and Mr. Marshall had attended a marketing and advertising meeting with Mr. Lamson, Ms. McHugh and Pierce-Cote Advertising, and were very impressed. Mr. Hanover observed that the Authority had a strong marketing program in place and was doing an excellent job maintaining its market share.

Public Comment:

A year-round resident of Vineyard Haven asked the Members to keep the ferry service operated by New England Fast Ferry Co. ("NEFF") between New Bedford and Martha's Vineyard a year-round service, recounting how he had been able to take a job in Providence, Rhode Island, due to his ability to use the service on a regular basis and keep a car on the mainland in New Bedford. He also questioned NEFF's attempts to promote its service in the winter, and suggested that it could have a much better public outreach campaign that informed the public about their travel options from New Bedford (such as T.F. Green Airport in Providence, Rhode Island) and attractions in the area (such as the Whaling Museum).

In response, Mr. Glasfeld noted that NEFF advertised in both newspapers on Martha's Vineyard, as well as on cable television, and allocated 15% of its revenues to advertising, which was 10% more than what transportation entities like to spend. Nevertheless, Mr. Glasfeld said, it was good to receive this type of feedback indicating that the public still was not hearing about NEFF's service.

State Representative Tim Madden declared that the Authority should be commended for reaching out to the Governor to make certain that it was able to receive $5,000,000 of federal stimulus funds, observing that the funding would help all of the Authority's port communities. Mr. Marshall agreed, noting that management had done a great job and deserved the applause.

At approximately 11:10 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

September 15, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of September, 2009, beginning at 9:30 a.m., in the Discovery Room of the Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Members were present: Chairman Robert L. O'Brien of Barnstable; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket. Vice Chairman Marc N. Hanover of Dukes County was not present.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, Port Council Secretary George J. Balco of Tisbury, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Nathaniel Lowell of Nantucket were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Customer Service and Community Relations Manager Gina Barboza; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark Rozum; Nantucket Associate Agent Lorin Clarkson; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Marshall -- to approve the minutes of the Members' meeting in public session on August 18, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	65 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for July 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that, during the month, the Authority carried more passengers (up 2.5%) and more automobiles (up 3.6%), but fewer trucks (down 5.9%) than during the same month in 2008. As a result, Mr. Lamson said, the Authority's operating revenues for the month were $104,000 lower than projected, but once again had been more than offset by lower operating expenses, which were $554,000 lower than projected in the Authority's operating budget. Mr. Lamson observed that one of the biggest savings in expenses was in the cost of vessel fuel oil, where the Authority's actual expenses were $479,000 lower than projected.

Mr. Lamson reported that the Authority's net operating income for the month of July had been $5,733,000, which was $392,000 higher than what had been projected, and that the year-to-date operating income through July had been $1,966,000, around $2,516,000 higher than projected.

In response to a question from Mr. Marshall, Mr. Davis stated that the almost all of the decrease in the Authority's vessel fuel expense from budget projections was attributable to a lower price of fuel per gallon than anticipated, and that the Authority had consumed only 1,000 fewer gallons of fuel during July than what had been budgeted.

Hyannis Terminal Slip Improvements Project:

Mr. Walker reported that AGM Marine Contractors had began work the day before on the Hyannis Terminal Slip Improvements Project, and had proposed an accelerated construction schedule that will allow most of the work to be completed in one off-season instead of the two off-seasons as originally planned. Mr. Walker stated that, under AGM's proposed schedule, three aspects of the work – construction of Slip #2's new dolphins, construction of the dedicated fast ferry slip and site improvements for the new pick-up and drop-off area – would be performed simultaneously. Mr. Walker also reported that federal and state officials already had agreed that AGM's proposed accelerated schedule appeared viable, and that Mr. Davis was in the process of making certain that, if the Authority were to agree to AGM's proposal, it will have sufficient funds to pay for the work this coming year.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker then reported that CRC Co. would be on site at the Oak Bluffs terminal once the terminal closes for the season on October 12, 2009 to start the final phase of the dock improvements. Mr. Walker also reported that CRC would be followed shortly thereafter by Nauset Construction Corp., which will be reconstructing the terminal building during the upcoming off-season as well. Mr. Walker stated that management had met with both contractors the day before and had worked out a joint schedule with them as to how they will work together in that one location so that the terminal building reconstruction and the marine work can be completed at the same time.

Woods Hole Terminal Center Dolphin:

Mr. Walker then reported that Pihl Inc./RDA Construction Corp. would be mobilizing in mid-November to install the new monopile dolphin between Slip #1 and Slip #2 at the Woods Hole terminal, and that it was then expected to take three weeks to complete the dolphin's construction. In response to a question from Mr. Ranney, Mr. Walker stated that there will be times during the construction work that Woods Hole Slip #2 will be unavailable for docking the Authority's vessels, but that there will never be an occasion when both slips are shut down.

New England Fast Ferry:

Mr. Lamson then stated that management was recommending that the Members approve a request from New England Fast Ferry Company ("NEFF") for permission to make its New Bedford-Martha's Vineyard ferry service a seasonal service by eliminating its trips during the months of December through March, provided that the license fee formula contained in NEFF's license agreement is modified so that the Authority derives at least the same amount of license fees from the service on an annual basis. Mr. Lamson also noted that the Port Council, at their meeting in August 2009, had unanimously voted to support management's recommendation that NEFF's request be approved with a revised license fee formula.

Mr. Tierney stated that he had no objection to allowing NEFF to suspend its ferry service this upcoming winter season – namely, from December 1, 2009 through March 31, 2010 – but he declared that he would like NEFF to remain obligated under its license agreement to provide the service for all future winter seasons in the absence of another vote by the Members. Mr. Tierney informed the Members that the New Bedford Harbor Development Commission already had voted to allow NEFF to suspend its ferry service during this upcoming winter season only, although it also had indicated that, if the economy does not turn around by next summer, it will be willing to consider another request from NEFF at that time to suspend its service for the same time period the following winter season. Meanwhile, Mr. Tierney observed, the City of New Bedford was actively investigating whether there is a market for passengers who may want to travel on NEFF's ferries between New Bedford and Woods Hole, and NEFF itself was participating in a survey to assess that potential opportunity.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- as follows:

1. **to authorize an amendment to the Authority's license agreement with New England Fast Ferry of Massachusetts, LLC ("NEFF") that will no longer require NEFF to provide its service between New Bedford and Martha's Vineyard from December 1, 2009 through March 31, 2010, provided that NEFF's license fee formula is modified as described in Staff Summary #L-384, dated August 12, 2009;**
2. **to authorize the General Manager to prepare and execute an amendment to NEFF's license agreement incorporating these changes; and**
3. **to authorize the General Manager to take all necessary and appropriate actions to fulfill the Authority's obligations under the amended license agreement.**

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	65 %	0 %

2010 Summer and Fall Operating Schedules:

Mr. Lamson then presented management's proposed 2010 Summer and Fall Operating Schedules to the Members, noting that they were identical to the preliminary schedules that management had presented for discussion last month. Mr. Lamson also stated that the proposed schedules, as set forth in Staff Summary #RCR 04-09, dated September 9, 2009, were patterned after the same schedules as the Authority is operating during the summer and fall this year, with the following changes:

(a) Management was recommending that the 2010 Summer Schedule begin on May 20, 2010 and end on October 13, 2010, and also that the 2010 Fall Schedule then continue through Sunday, January 2, 2011, in order to accommodate higher traffic demands during the end of the holiday season.

(b) During the 2010 Summer Schedule for the Martha's Vineyard route, management was proposing to change the time of the *Governor's* last round trip so that it departs ten minutes earlier than this summer. This change will allow the Authority to consolidate the *Governor's* last trip to Martha's Vineyard with the *Martha's Vineyard's* last trip on those occasions when there is sufficient room on the *Martha's Vineyard* to carry all of the vehicles reserved for both trips.

Finally, Mr. Lamson reported that the Port Council, at their meeting earlier in the month, had voted unanimously to recommend that the Members approve the schedules as proposed.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to approve the 2010 Summer and Fall Operating Schedules as proposed by management and set forth in the attachment to Staff Summary #RCR 04-09, dated September 9, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	65 %	0 %

Reservations for the 2010 Summer and Fall Operating Schedules:

Mr. Lamson reviewed with the Members the dates that the Authority will accept Headstart reservations for the 2010 Summer Operating Schedule (January 6-15, 2010 by mail and internet only), as well as dates that the Authority will begin accepting reservations from the general public for that same summer schedule (January 19, 2010 by mail and internet, and then January 25, 2010 by telephone as well). In addition, Mr. Lamson noted that the Authority will begin accepting reservations for the 2010 Fall Operating Schedule on June 21, 2010. Finally, Mr. Lamson stated that the reservation-only dates during 2010 for the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 25 through September 6, and May 27-31, July 1, September 7, and October 8 and 11, 2010.

Reservation Office Hours:

Mr. Lamson then requested that the Members approve a change in the daily office hours of the Authority's Mashpee and Martha's Vineyard reservation bureaus. Specifically, Mr. Lamson said, management was recommending that, beginning January 1, 2010, the bureaus close at 4:30 pm (instead of their current closing time of 5:00 pm) so that the Authority will have a full complement of Reservation Clerks available to answer the phones when the bureaus open each day at 8:00 am.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to approve a change in the daily offices hours of the Authority's Mashpee and Martha's Vineyard reserve-tion bureaus so that, beginning January 1, 2010, they will open at 8:00 am and close at 4:30 pm (instead of their current closing time of 5:00 pm).

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**65 %**	**0 %**

Preliminary 2010 Operating Budget:

Mr. Davis then presented management's preliminary proposed 2010 Operating Budget, as set forth in Staff Summary #A-510, dated September 10, 2009, for the Members' review and comments, noting that the Members will not need to approve the budget until their next meeting in October. Mr. Davis stated that the Authority's operating expenses were expected to increase by $1,025,000 in 2010 over management's current 2009 estimate, which represented a 1.4% increase. Mr. Davis also stated that the estimate for 2009 was based on seven months of actual expenses (January through July) and five months of budgeted expenses (August through December). In particular:

- Maintenance expenses are expected to drop by $567,000 (or 6.1%) in 2010. Decreases in vessel repair expenses are expected for the *Island Home* and the *Gay Head*, as dry-docks for those vessels are scheduled for the fall of 2009. Terminal repairs likewise are expected to decrease as work on the Nantucket bulkhead is scheduled for later this year.

- Management's projected vessel fuel oil expense of almost $7,300,000 (approximately 10% of the operating budget) is pretty much the same as this year's fuel oil expense (a 0.2% increase), and assumes that the delivered price of fuel will range between $2.51 and $2.64 per gallon, with an overall average of $2.57.

- Wages are expected to increase by $660,000 (or 2.3%).

- Pension costs are expected to increase by $179,000 (or 4.8%).

- Health and welfare costs are expected to increase by $436,000 (or 6.2%).

- Payroll taxes are expected to increase by $118,000 (or 5.5%).

Mr. Davis reported that, at that time, it was is not anticipated that any rate increases will be needed to cover next year's estimated cost of service, even though freight revenue is expected to decrease by $950,000 from management's current 2009 estimate, passenger revenue is expected to decrease by $550,000, and revenue from terminal operations (primarily driver services) is expected to decrease by $125,000. Mr. Davis noted that the Authority was expected to receive over $6,400,000 in other income during 2010, which will primarily be grant revenue from federal stimulus funds (the American Recovery and Reinvestment Act) and the ferry boat discretionary program. Mr. Davis stated that, based upon management's current estimate of revenues and expenses for 2010, the Authority's net income from operations is expected to be around $3,600,000 once grant revenue is excluded, which will generate sufficient cash flow to meet the Authority's debt service requirements and make the appropriate transfers to the Replacement Fund.

Mr. Marshall stated that he thought the preliminary budget was very well prepared and conservative, which is exactly what the Authority should be doing. However, Mr. Marshall suggested that management review its proposed level-funding of the Authority's advertising expenses, observing that part of the Authority's success that year had been the result of a very good message and media placement. Mr. Marshall asked management to consider whether next year it might make sense for the Authority to advertise in any other ways that it had not done this year.

Appointment of Deloitte & Touche LLP as
the Authority's Independent Public Accountants:

Mr. Davis asked the Members to reappoint Deloitte & Touche LLP as the Authority's independent auditors to provide a comprehensive financial audit and related services for the fiscal year ending December 31, 2009. Mr. Davis noted that the fee for Deloitte & Touche's services this year would be $115,000, which represented the same fee structure as this past year's agreement. However, Mr. Davis said, because the Authority expects to expend more than $500,000 this year of federal grant money, it will also be required to have an additional audit focused on those federally funded projects. Mr. Davis noted that this additional audit requirement will be beyond Deloitte & Touche's scope of services and will result in a supplementary fee. Further, Mr. Davis stated that because the audit requirements for the federal stimulus program were still being finalized, at that time he was unable to determine what a reasonable supplemental fee structure for this additional audit will be, although he expected it to be in the range of around $20,000.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to reappoint Deloitte & Touche LLP as the Authority's independent auditors to provide a comprehensive financial audit and related services for the fiscal year ending December 31, 2009 for a fee of $115,000, as recommended by management in Staff Summary #A-509, dated August 21, 2009.

VOTING	AYE	NAY
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**65 %**	**0 %**

The Authority's Commodity Price Hedging Policy:

Mr. Davis then asked the Members to adopt management's proposed statement of the Authority's commodity price hedging policy, as set forth in Staff Summary #A-511, dated September 10, 2009, which would govern the Authority's activities related to its energy risk management. Under the proposed policy, Mr. Davis said, the Authority's commodity price hedging activities, which may include fixed price swaps, collars and/or caps, would be based on the NYMEX no. 2 heating oil contracts (which closely track what the Authority pays for diesel fuel), would be made through well-established financial institutions, would be for up to 100% of the Authority's annual usage for up to 15 months in advance, and would not include any speculative investing. Mr. Davis also stated that the policy would require management to report on the status of the program on at least a quarterly basis to both the Members and the Port Council.

In response to a question from Mr. Marshall, Messrs. Lamson and Davis stated that management was asking for the Members to vote on the policy so that the staff would know what parameters were appropriate for them to follow, and would also know when they will need to come back to the Members for authorization to do anything differently.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to adopt the statement of the Authority's commodity price hedging policies as recommended by management in Staff Summary #A-511, dated September 10, 2009.

VOTING	AYE	NAY
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**65 %**	**0 %**

Procurement:

Mr. Lamson recounted how, at their meeting last month, the Members had authorized him to award Contract #08-09 for dry-dock and overhaul services for the *Gay Head* to the lowest eligible and responsible bidder for the contract when bids for the contract were opened earlier this month, and that the budget estimate for the work was $290,000. Mr. Lamson then reported that he since had awarded the contract to Thames Shipyard & Repair Co., Inc., of New London, Connecticut, who turned out to be the lowest eligible and responsible bidder for the contract, for a total contract price of $185,660, and that the contract includes all of the work that was in the budget estimate.

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council had voted to recommend the approval of management's proposed 2010 summer and fall operating schedules, the 2010 reservation opening dates, and the commodity price hedging policy with a suggestion that management subsequently adopted before presenting it to the Members for their consideration. Mr. Huss also reported that the Port Council had discussed management's preliminary draft of the 2010 operating budget, and would be discussing it again at their meeting in October before it is similarly presented to the Members. Further, Mr. Huss stated that the Port Council had suggested that management explore the possibility of selling merchandise with a Steamship Authority logo over the internet. In addition, Mr. Huss noted that he would be meeting the next day with the Oak Bluffs Economic Development Committee to review traffic patterns and usage of the streets in front of the Oak Bluffs terminal.

Mr. Ranney declared that he thought on-line marketing was a great idea and that management should look into it. After Mr. Marshall cautioned that the Authority needed to invest in design costs for the merchandise so that it would be worthy of sale, Mr. Lowell stated that the type of merchandising program that Mr. Balco had suggested was similar to that offered by the United States Navy, with a mixture of coffee mugs, hats and shirts.

Mr. Lowell then declared that he was pleased that Mr. Lamson was considering off-peak pricing for people with year-round parking permits who want to bring their cars occasionally back to Nantucket. Mr. Lowell stated that such an offer would be a major improvement for Nantucket residents, and that the Authority could carry their cars on evening ferry trips that have open space. Mr. Ranney stated that he agreed, and Mr. Lamson said that he would be reporting back periodically to the Members on this subject.

At approximately 10:15 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, contract negotiations with nonunion personnel, and the deployment of security personnel and devices.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**65 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

October 2, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 2nd day of October, 2009, beginning at 3:30 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts. Four Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; and John A. Tierney of New Bedford. H. Flint Ranney of Nantucket was not present, but participated throughout the meeting by telephone.

Port Council Secretary George J. Balco of Tisbury and Port Council member Frank J. Rezendes of Fairhaven were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Information Technologies Mary T.H. Claffey; Director of Terminal and Parking Operations Mark Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Procurement:

Mr. Lamson asked the Members for authorization to award Contract #11-09, for the replacement of the roof top air conditioning units at the Woods Hole terminal, to the lowest eligible and responsible bidder for the contract, Apex Corporation of North Abington, Massachusetts, for a total contract price of $113,000. Mr. Lamson stated that the replacement was necessary due to the fact that the terminal's current HVAC system was inadequate to handle the current demand, as was demonstrated this past summer when the system was incapable of cooling the space to a satisfactory temperature and humidity. As a result, Mr. Lamson said, the Authority mounted a temporary HVAC on the terminal's roof to add redundancy and augment the existing system.

Mr. Lamson also advised the Members that the proposed replacement was a new three-unit, 30-ton system designed with adequate capacity to handle up to 125% of the calculated heat load while operating on only two of the three units. Mr. Lamson noted that the Members' authorization to award the contract was needed because, although the contract had been estimated to cost $90,000, the amount of the lowest bid came in at over $100,000.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #11-09, "Woods Hole Terminal – Roof Top AC Replacement," to the lowest eligible and responsible bidder for the contract, Apex Corporation of North Abington, Massachusetts, for a total contract price of $113,000, as recommended by management in Staff Summary #E 2009-15, dated September 30, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
TOTAL	65 %	0 %

By telephone, Mr. Ranney stated that he also was in favor of awarding the contract as recommended by management.

At approximately 3:35 p.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, the deployment of security personnel and devices, contract negotiations with nonunion personnel, and the investigation of charges of criminal misconduct and the filing of criminal complaints.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
TOTAL	**65 %**	**0 %**

By telephone, Mr. Ranney stated that, if he were present, he also would vote in favor of going into executive session.

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

October 20, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of October, 2009, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. Four Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; and H. Flint Ranney of Nantucket. John A. Tierney of New Bedford was not present.

Port Council Chairman Robert V. Huss of Oak Bluffs, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Jessica Fernandes of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/ Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T.H. Claffey; Director of Terminal and Parking Operations Mark Rozum; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

<u>Minutes</u>:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Marshall -- to approve the minutes of the Members' meetings in public session on September 15 and October 2, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for August 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that, during the month, the Authority carried more passengers (up 0.9%) and more automobiles (up 3.5%), but fewer trucks (down 4.2%) than during the same month in 2008. As a result, Mr. Lamson said, the Authority's operating revenues for the month were $88,000 higher than projected. Mr. Lamson further reported that the Authority's operating expenses for the month had been $882,000 lower than projected, and that one of the biggest savings in expenses was in the cost of vessel fuel oil, where the Authority's actual expenses were $407,000 lower than projected.

Mr. Lamson reported that the Authority's net operating income for the month of August had been $7,521,000, which was $849,000 higher than what had been projected, and that the year-to-date operating income through August had been $9,487,000, around $3,366,000 higher than projected.

Woods Hole Terminal Center Dolphin:

Mr. Walker reported that the drawings for Woods Hole Terminal Center Dolphin Project had been approved, and that all materials should be delivered between November 15 and November 20, 2009. However, Mr. Walker stated that, in order to avoid service disruptions around the Thanksgiving holiday, the Authority was going to wait to start construction until after the Thanksgiving weekend. Mr. Walker noted that the project should then be completed before Christmas.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that CRC Co., the contractor doing the pier work for the Oak Bluffs Terminal Reconstruction Project, had started demolishing the pier's existing pedestrian walkway and would be receiving the first shipment of piles that week. Mr. Walker further reported that Nauset Construction Corp., the contractor reconstructing the terminal building, would begin demolition of the existing building in the following week or so. Mr. Walker noted that work on the building had been delayed due to the discovery of asbestos in the building's floor tiles, which needed to be abated before other work could begin.

Hyannis Terminal Slip Improvements Project:

Mr. Walker reported that AGM Marine Contractors had completed the demolition of the Hyannis terminal's old dolphins and Slip #2, and already had driven 50% of the piles for the new dedicated fast ferry slip. Mr. Walker also advised the Members that the parking area which had been used by parking permit holders was now being used as a construction staging area, that the parking permit holders were now parking in the employee's parking lot, and that the employees were now parking at the Authority's Lewis Bay Road parking lot.

Accessibility of the Authority's Operations:

Mr. Sayers then provided the Members with an update on the measures that the Authority will be taking over the course of the next several years to improve the accessibility of all aspects of the Authority's operations, as more fully described in Staff Summary #L-385, dated October 16, 2009. In the course of the PowerPoint presentation given by Mr. Sayers, he noted that these measures will include, among other things:

(a) Replacing the existing passenger loading ramp systems at the Woods Hole, Vineyard Haven and Nantucket terminals, and modifying the gangways at all of the Authority's terminals, to reduce the slopes of those gangways at high tides.

(b) Increasing the height of the footings of both transfer bridges at the Nantucket terminal to reduce the slopes of those transfer bridges at high tides.

(c) Increasing signage and announcements at all of the Authority's terminals and on its four large passenger/vehicle ferries to inform passengers with disabilities that they can board or disembark those vessels by going over the transfer bridge and using the elevators on board the vessels.

(d) Painting pathways on the pavement of the Authority's terminals designating where passengers should go to board vessels by way of the transfer bridge, and attempting to reduce each transfer bridge's ridges to make it easier for passengers in wheelchairs to board and disembark without assistance.

(e) Installing automatic door openers for the doors of the Nantucket terminal building this coming off-season.

(f) Continuing to replace stair coverings on the Authority's vessels with new ones that have the edges of the stairs brightly colored in yellow for better visibility.

(g) Enhancing the Authority's reservations system by adding a field to its customer profile accounts that will allow customers to flag themselves as needing accommodations when traveling with their vehicles. Then, when each trip's vehicle manifest is reviewed at a terminal, the terminal employees who are checking in customers for a particular trip will know in advance that a customer will need accommodations on that trip.

(h) Updating the "Accessibility" page on the Authority's website to include more information for persons with disabilities about traveling with the Authority.

Discounted Passenger Fares for Individuals with Disabilities:

Mr. Lamson asked the Members to approve management's recommendation that the Authority establish a reduced passenger fare for individuals with disabilities on the Authority's high-speed passenger vessel. Mr. Lamson stated that, in order to receive the discounted fare, which is the same fare offered to children and resident senior citizens, an individual would first have to obtain a "Steamship Authority Transportation Access Pass," which is available by application to customers with disabilities.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve a reduced passenger fare for passengers with disabilities on the Authority's high-speed passenger vessel similar to the reduced fare currently offered for children and senior citizens, as recommended by management in Staff Summary #GM-543, dated October 15, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Mr. Lamson then also asked the Members to approve management's recommendation that the Authority offer 10-ride passenger ticket books for individuals with disabilities when traveling on either the Authority's traditional ferries or its high-speed passenger vessel. Again, Mr. Lamson said, these 10-ride ticket books would be at the same discounted fare now offered to children and resident senior citizens and, in order to purchase them, a customer with a disability would first have to obtain a "Steamship Authority Transportation Access Pass."

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the sale of 10-ride passenger ticket books, similar to books currently offered for children and senior citizens, for passengers with disabilities when traveling on the Authority's traditional ferries and its high-speed passenger vessel, as recommended by management in Staff Summary #GM-544, dated October 16, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

During the Members' discussion of these fares, Mr. Hanover declared that he supported management's recommendations. In addition, Mr. Hanover observed that Authority customers with serious medical conditions – such as those who undergo chemotherapy almost every day for numerous weeks – may need similar or different types of accommodations. Therefore, Mr. Hanover asked Mr. Lamson if management could consider whether the Authority should adopt any policies to address those other situations, noting that they might have to include discounted vehicle fares as well as passenger fares for those customers who need to remain in their vehicles due to their medical condition.

Finally, Mr. Marshall asked Mr. Lamson if management could provide the Members with a list of all of the Authority's fares that differ from its regular fares, as well as the number of passengers who travel on each of those fares, so that the Members can determine what each fare's revenue implications are.

Proposed 2010 Operating Budget:

Mr. Davis presented management's proposed 2010 Operating Budget, as set forth in Staff Summary #A-512, dated October 15, 2009, noting that it had been revised somewhat since management had presented their preliminary version the prior month. Specifically, Mr. Davis said, the revised proposed budget was now based on twelve months of actual traffic figures from September 2008 through August 2009, payroll expenses for the terminal and parking lot operations had been adjusted, and provisions had been made to reflect the Authority's estimated post-employment health benefit obligations.

Mr. Davis stated that, in 2010, the Authority's operating expenses were expected to increase by $650,000 over management current estimate of the Authority's operating expenses for 2009, which represented an increase of around 0.8%. In particular:

- Wages were expected to increase by $665,000 (or 2.3%).

- Health care and pension costs were expected to increase by $1,100,000 (or 9.6%).

- Depreciation was expected to increase by $130,000 (or 1.4%), principally due to the completion of the various phases of the Oak Bluffs Terminal Reconstruction Project.

- Vessel fuel oil expense was expected to increase by $1,500,000 (or 25.9%) assuming that the price of vessel fuel next year averages $2.57 per gallon. Mr. Davis observed that the Authority was currently paying $2.22 per gallon for its vessel fuel and, due to its hedging program, the most the Authority effectively will have to pay for vessel fuel during 2010 was an average of $2.97 per gallon. Therefore, Mr. Davis said, if the average price of vessel fuel were to rise to $2.97 per gallon next year, the Authority would be faced with an additional cost of around $1,200,000.

- Maintenance was expected to drop by $3,100,000 versus the 2009 estimate. However, Mr. Davis stated that a portion of this decrease was the result of the Authority's decision to accelerate repair work into 2009 which otherwise would have been performed in 2010. In addition, Mr. Davis noted that management expected the Authority to have substantially lower vessel dry-dock expenses in 2010 than in 2009.

Mr. Davis advised the Members that, at that time, management did not anticipate that any rate increases will be needed to cover next year's estimated cost of service, even though operating revenues are expected to be $150,000 lower than in 2009. Mr. Davis noted that this was due in part to the fact that, in 2010, the Authority was expected to receive over $6,400,000 in other income, primarily grant revenue from the American Recovery and Reinvestment Act and the ferry boat discretionary program. Mr. Davis stated that, based upon management's current estimate of revenues and expenses for 2010, the Authority's net income from operations was expected to be around $3,300,000 once grant revenue is excluded, which will generate sufficient cash flow to meet the Authority's debt service requirements and make the appropriate transfers to the Authority's Replacement Fund.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to adopt the 2010 Operating Budget as proposed by management in Staff Summary #A-512, dated October 15, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Procurement:

Mr. Lamson requested authorization from the Members to award Contract #10-09, "Dry-dock and Overhaul Services for the M/V Island Home," to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of $286,172. Mr. Lamson noted that the *Island Home* was scheduled to be in the shipyard from mid-October until mid-November 2009 to undergo a required United States Coast Guard hull examination, machinery inspections and exterior painting.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract #10-09, "Dry-dock and Overhaul Services for the M/V Island Home," to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for a total contract price of $286,172, as recommended by management in Staff Summary #E 2009-16, dated October 14, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Mr. Lamson then requested authorization from the Members to award Contract #12-09, "Building Repairs including Roof Replacement, Garage Door & Miscellaneous Repairs at the Palmer Avenue Bus Maintenance Facility," to the lowest eligible and responsible bidder for the contract, Belcour Corporation of Woonsocket, Rhode Island, for a total contract price of $34,800, and stated that the contractor was scheduled to begin work immediately after the award of the contract and was expected to complete the repairs in four weeks. In response to a question from Mr. Ranney, Mr. Walker stated that he did not consider installing solar panels on the roof in connection with this project, but that they may be considered when the Authority moves the bus maintenance facility.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract #12-09, "Building Repairs including Roof Replacement, Garage Door & Miscellaneous Repairs at the Palmer Avenue Bus Maintenance Facility," to the lowest eligible and responsible bidder for the contract, Belcour Corporation of Woonsocket, Rhode Island, for a total contract price of $34,800, as recommended by management in Staff Summary #E 2009-20, dated October 16, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Mr. Lamson then requested authorization from the Members to award Contract #13-09, "Supply and Deliver Two Hydraulic Lifting Cylinders," to the lowest eligible and responsible bidder for the contract, Supreme Integrated Technology, Inc. of St. Rose, Louisiana, for a total contract price of $64,250. Mr. Walker stated that the two cylinders were being purchased for use as spares for the *Island Home's* lift decks because this past summer the seals on the lift decks' current cylinders had developed some leaks. Mr. Walker stated that, although the Authority had not yet had to replace the cylinders, management concluded it would be prudent to purchase spare cylinders that can be used in the future when the current ones are eventually removed for repairs.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Marshall -- to authorize the General Manager to award Contract #13-09, "Supply and Deliver Two Hydraulic Lifting Cylinders," to the lowest eligible and responsible bidder for the contract, Supreme Integrated Technology, Inc. of St. Rose, Louisiana, for a total contract price of $64,250, as recommended by management in Staff Summary #E 2009-18, dated October 14, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Mr. Lamson then requested authorization from the Members to award Contract #14-09, "Supply and Deliver Two ABS-Type Approved, EPA Tier II Ship Service Generators & Main Ships Service Switchboard," to the lowest eligible and responsible bidder for the contract, R.A. Mitchell Co., Inc. of New Bedford, Massachusetts, for a total contract price of $149,525. Mr. Lamson noted that these items will replace the current generators and switchboard on the *Sankaty*, which are nearly thirty years old and have been operating at maximum capacity due to the lighting, heating and mechanical loads that have been added to the vessel's electrical system as the result of the vessel's many modifications over the years.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #14-09, "Supply and Deliver Two ABS-Type Approved, EPA Tier II Ship Service Generators & Main Ships Service Switchboard," to the lowest eligible and responsible bidder for the contract, R.A. Mitchell Co., Inc. of New Bedford, Massachusetts, for a total contract price of $149,525, as recommended by management in Staff Summary #E 2009-17, dated October 14, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	90 %	0 %

Mr. Lamson then requested authorization from the Members to award Contract #15-09, "M/V Governor Propulsion Control Upgrade," to the lowest eligible and responsible bidder for the contract, Avtron Industrial Automation, Inc. of Independence, Ohio, for a total contract price of $362,100. In response to a question from Mr. Jones, Mr. Walker described the work that will be involved in accomplishing this upgrade, which he said is expected to be fully tested and operational by April 2010. Mr. Lamson also observed that the *Governor* itself was in great shape, but that due to its limitations in bad weather, it probably would be the next vessel that the Authority will want to replace.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #15-09, "M/V governor Propulsion Control Upgrade," to the lowest eligible and responsible bidder for the contract, Avtron Industrial Automation, Inc. of Independence, Ohio, for a total contract price of $362,100, as recommended by management in Staff Summary #E 2009-19, dated October 15, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council had received an update from Mr. Walker regarding the Authority's capital projects and had voted to recommend the approval of management's proposed 2010 operating budget and the new discounted fares for individuals with disabilities. Mr. Huss further reported that the Port Council also had discussed a request from David Faus, Headmaster of Falmouth Academy, for a discounted student pass for full-time students, and ultimately had agreed with Mr. Lamson's assessment that students effectively could use a combination of the Authority's existing ticket books to travel at the same or lower cost and that, in any event, the Authority at that time did not have the capability to offer such a pass.

Mr. Huss then reported that the Port Council also had been advised of the status of the investigation of an alleged embezzlement by an Authority employee, as well as legislation currently pending before the Legislature that, if enacted into law, would affect the Authority. Finally, Mr. Huss said, the Port Council had been briefed on the Transportation Security Administration's vehicle screening project that was going to be conducted at the Woods Hole terminal.

Email Service Alerts:

In response to a question from Mr. Ranney, Ms. Claffey reported that the Authority was in the testing phase of its program to send email alerts informing customers of service disruptions, and that the Authority was also developing a mechanism for its website to allow customers to communicate directly with the Authority with their complaints and comments. Ms. Claffey noted that the email alert system will also allow customers to opt in and opt out at certain times of the year, and to elect whether they would like to receive Authority newsletters.

Quasi-Public Authority Compensation Review Commission Report:

The Members then discussed the recommendations that were made public in September 2009 by the Quasi-Public Authority Compensation Review Commission. In this regard, Mr. Lamson recounted how the Commission had been established earlier this year by Governor Deval Patrick to review the appropriateness of compensation packages of senior managers at the state's various quasi-public agencies and authorities. Ultimately, Mr. Lamson said, after reviewing the materials submitted by the participating agencies (including the Authority) and comparing the compensation packages with the packages of other senior people in the non-profit and quasi-public world, the Commission concluded that, as a broad generalization, the packages were appropriate in today's economic climate. However, Mr. Lamson noted that the Commission had expressed concern that several compensation practices at certain agencies and authorities were inappropriate in the public sector context, such as providing senior managers guaranteed extended severance payments (for up to five years) in the event they are terminated without cause, providing senior managers with guaranteed raises and bonuses independent of performance reviews and economic conditions, and giving excessive payouts for accrued unused sick time (including one instance of more than 400 days) upon the termination of their employment.

For these reasons, Mr. Lamson said, the Commission has presented a series of recommendations that all quasi-public agencies and authorities have been asked to follow in order to eliminate such inappropriate compensation practices and to make the compensation system of each agency and authority more accountable and transparent. In addition, Mr. Lamson noted that all of the quasi-public agencies and authorities have been asked to inform the Office of the Inspector General by mid-December 2009 of all actions they have taken in response to the Commission's recommendations.

The Members then began to discuss the Commission's recommendations, observing that many of the Authority's compensation practices and policies for non-union employees (including the General Manager and the other senior managers) were already consistent with the Commission's recommendations. The Members also noted that certain of the recommendations appeared to be designed to correct abuses that existed at other authorities and agencies, and were not necessary or appropriate for the Authority due to various policies that the Members already have adopted. For example, the Members noted that all of the Authority's senior managers know that their employment is at-will and, if their employment were to be terminated without cause, that their severance payments would be governed by the same severance policy that applies to all non-union employees. In addition, the Members confirmed that neither of the Authority's two existing employment agreements (governing the terms and conditions of employment for the General Manager and the General Counsel) contained any guaranteed raises or bonuses.

Mr. O'Brien also observed that the Authority could easily adopt the Commission's recommendation to establish a formal compensation committee, but that it would undoubtedly be a mere formality since he thought that all five Members should be on that committee. In addition, Mr. Marshall noted that the Authority had previously engaged recruiters to assist it in its executive searches, and had obtained information through them regarding the levels of compensation of comparable positions. Mr. Ranney also wondered why the Commission was recommending that only new Members be trained in ethics and best practices, declaring that all of the Members could benefit by such training, which he assumed would be offered by the Office of the Inspector General.

Ultimately, the Members agreed that they would respond to each of the Commission's recommendations as requested, and they asked Mr. Sayers to draft an initial version of their proposed response for them to review at their meeting next month.

At approximately 11:07 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, the deployment of security personnel and devices, contract negotiations with nonunion personnel, and the investigation of charges of criminal misconduct and the filing of criminal complaints.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

November 17, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of November, 2009, beginning at 9:30 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located on Water Street, Woods Hole, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, Port Council Secretary George J. Balco of Tisbury, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Jessica Fernandes of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T.H. Claffey; Director of Terminal and Parking Operations Mark K. Rozum; Manager of Reservations and Community Relations Gina L. Barboza; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Hanover -- to approve the minutes of the Members' meeting in public session on October 20, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**90 %**	**0 %**

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for September 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that, during the month, the Authority carried more passengers (up 15.2%) and more automobiles (up 11.0%), but fewer trucks (down 3.7%) than during the same month in 2008, although he noted that most of the increases in passenger and automobile traffic was attributable to Labor Day falling almost a week later in the month this year than in 2008. Mr. Lamson also reported that, although the Authority's operating revenues for the month were $838,000 lower than projected, that decline was partially offset from the Authority's operating expenses for the month also being $652,000 lower than projected, with one of the biggest savings being the cost of vessel fuel oil, where the Authority's actual expenses were $391,000 lower than projected.

Mr. Lamson reported that the Authority's net operating income for the month of September had been $2,498,000, which was $186,000 lower than what had been projected, and that the year-to-date operating income through September had been $11,985,000, around $3,179,000 higher than projected.

Hyannis Terminal Slip Improvements Project:

Mr. Walker reported that the Hyannis Terminal Slip Improvements Project continued to be on schedule for AGM Marine Contractors to finish all of the work this off-season except for two dolphins that will be completed in the fall of 2010, and that AGM was attempting to accelerate its schedule even more so that the entire project can be completed by the spring of 2010. Specifically, Mr. Walker stated that the piles for Slip #2's transfer bridge had been driven, as well as the piles for the high-speed ferry pier; that the retaining wall for the high-speed ferry pier had also been completed; and that the pick-up/drop-off area has been excavated.

In response to a question from Mr. O'Brien, Mr. Walker stated that the Authority had not received any communications from the Hyannis Main Street Waterfront Historic District Commission regarding the design of the dolphins, but that management nevertheless was preparing a rendering of the dolphins to show what they will look like when they are completed.

Woods Hole Terminal Center Dolphin:

Mr. Walker reported that the materials for the Woods Hole Terminal Center Dolphin Project had been ordered and that the crane barge for the project was traveling from Houston, Texas. Mr. Walker also reported that the installation of the new monopole dolphin will begin after Thanksgiving, with the pile driving taking less than a week before the fenders are attached, and that the entire project will be completed before Christmas.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that while CRC Co., the contractor doing the pier work for the Oak Bluffs Terminal Reconstruction Project, was driving piles for the new passenger walkway, the foundation of the terminal building cracked and it will not be permanently repaired until December 4, 2009. As a result, Mr. Walker said, the Authority will have to accelerate the construction schedule of the terminal building in order to make certain that the terminal opens on time, which he noted would increase the cost of the project.

Oak Bluffs Terminal Dockage Agreement:

Mr. Lamson asked the Members to authorize him to enter into a dockage agreement with New England Fast Ferry Company, LLC ("NEFF") so that NEFF can load and unload passengers at the Oak Bluffs terminal for the New York – Oak Bluffs passenger high-speed ferry service it will continue to provide on weekends during next year's summer season through its subsidiary SeaStreak, LLC. Mr. Lamson noted that, depending upon advance reservations, NEFF may also provide service with a second vessel on holiday weekends.

Mr. Lamson stated that the proposed dockage agreement provides for annual renewals through 2014 unless either party gives notice to the other of its desire to terminate the agreement by January 1 of each year; that NEFF will pay a "per passenger" dockage fee to the Authority based upon an escalating percentage of the Authority's average revenue per passenger on its Martha's Vineyard route the preceding year; and that the percentage is 20% for the first 1,000 passengers carried each year, 25% for the next 4,000 passengers carried each year, and 30% for all additional passengers carried each year. Finally, Mr. Lamson observed that, because the service operates between Martha's Vineyard and a port outside of Massachusetts, the Authority has no licensing jurisdiction over it, and if the Members were to decide not to allow NEFF to dock its ferry at the Oak Bluffs terminal, NEFF can ask the Town of Oak Bluffs for permission to dock its ferry at town facilities inside Oak Bluffs harbor.

In response to a question from Mr. Hanover, Mr. Lamson confirmed that NEFF will also pay for the Authority's incremental expenses if its ferry arrives or departs from the Oak Bluffs terminal after the Authority's normal closing time.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Hanover -- to authorize the General Manager to execute a Dockage Facilities Agreement with New England Fast Ferry Company, LLC, or its subsidiary, SeaStreak, LLC, in substantially the form recommended in Staff Summary #GM-545, dated November 12, 2009, and to take all necessary and appropriate actions to fulfill the Authority's obligations under that agreement.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Woods Hole Terminal Dockage Agreement:

Mr. Lamson then asked the Members to authorize him to enter into a dockage agreement with the New Bedford Harbor Development Commission and Jono Billings, the owner of the Cuttyhunk Ferry, so that Mr. Billings can load and unload passengers at the Woods Hole terminal for the New Bedford – Woods Hole pilot passenger ferry service he will be providing from November 30, 2009 through mid-May 2010. Mr. Lamson stated that the trial service will consist of two round trips each day, Monday through Friday; and that the first trip will arrive in Woods Hole around 7:30 am, with the second trip departing Woods Hole around 4:45 pm, provided that the arrivals and departures do not conflict with the Authority's own operating schedule.

Executive Director Kristin Decas of the New Bedford Harbor Development Commission stated that the City of New Bedford was working hard with the scientific institutions and Falmouth Academy to develop a market for this service, and will be implementing a vigorous marketing campaign for the service, including renting a billboard in New Bedford. Ms. Decas further stated that, if the City's efforts are successful, the service will continue to be provided after the trial period is over.

John Flanagan, Chairman of the Falmouth Transportation Management Commission, declared that the Commission supported the new service, and he advised the Members that cadets from Massachusetts Maritime Academy would be completing a market survey within the next few months to determine the potential ridership for this service. Mr. Flanagan noted that it appeared one market for the service was comprised of individuals who work in assisted living facilities, but who would need intermodal connections to get them to their places of employment. In response, the Members advised Mr. Flanagan that passengers of the new service would be welcome to use the Authority's buses to get to and from the Authority's Palmer Avenue parking lot.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute a Dockage Facilities Agreement with New Bedford Harbor Development Commission and the Jono Billings, the owner of the Cuttyhunk Ferry, in substantially the form recommended in Staff Summary #GM-546, dated November 12, 2009, and to take all necessary and appropriate actions to fulfill the Authority's obligations under that agreement.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Resolution Authorizing the Sale of $10,000,000 Steamship Bonds:

Mr. Davis asked the Members to adopt a Bond Resolution authorizing him to issue and sell $10,000,000 of Steamship Bonds on a competitive or negotiated basis by February 26, 2010, saying that the proceeds of the bonds will be used to acquire the four parcels of land located on Thomas B. Landers Road in Falmouth from Acme Precast Co., Inc. and The Four Stones, LLC for parking and other purposes, and to reconstruct the Hyannis vessel berthing slips for operational efficiency purposes. Mr. Davis advised the Members that, after issuing these bonds, the Authority will have a total of $66,530,000 of bonds outstanding (with a maximum bond authorization of $75,000,000); and that the Authority's estimated annual debt service payments will be between $7,100,000 and $7,400,000 for each of the next seven years, then drop off to around $5,900,000 in years 2017 through 2020, then to $4,500,000 in 2021, and then to $750,000 in years 2022 through 2029 (assuming that the Authority issues no more bonds during this entire time period).

In response to a question from the Members, Mr. Davis stated that he was estimating that bids for the bonds would carry a 4% interest rate, although he noted that the results should be a little better than that.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to adopt a Resolution Providing for the Issue of $10,000,000 Steamship Bonds of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority, in the form attached to Staff Summary #A-513, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

2010 Capital Budget:

Mr. Davis then asked the Members to approve management's proposed 2010 Capital Budget, noting that, as of September 30, 2009, the Authority had around $8,500,000 of funds available for capital projects; that management expected another $26,150,000 of funds to become available in 2009 and 2010 (including proceeds from the $10,000,000 bond issue next month); and that $23,700,000 of those funds are needed to complete current capital projects which already have been authorized. Accordingly, Mr. Davis said, the proposed 2010 Capital Budget consisted of fifteen new capital projects for 2010 (plus miscellaneous projects of less than $50,000 each) with an aggregate estimated cost of $10,619,000, which will leave $400,000 available for contingencies and other future projects.

Specifically, Mr. Davis stated that the proposed new capital projects are:

(a) Two shuttle buses for the Woods Hole/Falmouth parking lots (at an estimated cost of $250,000).

(b) The *Eagle* mid-life refurbishment construction phase (at an estimated cost of $6,200,000) and the installation of lift decks in the vessel (at an estimated cost of $1,600,000).

(c) Passenger loading/unloading structures at the Woods Hole, Oak Bluffs, Nantucket and Vineyard Haven terminals (at an estimated cost of $1,260,000).

(d) The installation of head dolphins for the south slip of the Fairhaven Vessel Maintenance Facility (at an estimated cost of $220,000).

(e) A portable generator for vessels and terminals (at an estimated cost of $50,000).

(f) The design of vessel modifications to facilitate the discharge of sewage (at an estimated cost of $50,000).

(g) Networking and security upgrades (at an estimated cost of $219,000), server replacements (at an estimated cost of $138,000), scanning upgrades (at an estimated cost of $67,000), Microsoft upgrades (at an estimated cost of $220,000), and personal computer replacements (at an estimated cost of $95,000).

Mr. Davis also advised the Members that the Port Council had voted at their last meeting to recommend that the 2010 Capital Budget be approved as proposed.

In response to questions from the Members, Mr. Walker stated that the proposed lift decks in the *Eagle* would consist of one fixed lift deck and another one that could be raised or lowered, both of which would be on the port side of the vessel; that the lift decks would provide 12 additional vehicle spaces; and that, although they would add around 20 tons of weight to the vessel, they would increase the vessel's draft by less than one inch. Mr. Davis also stated that the payback period for the lift decks was estimated to be between 12 and 15 years, based upon the 150 instances this past year that the vessel was sold out and selling six additional spaces for each of those instances, but not taking into account any savings that might result from not being required to operate a freight boat trip.

Mr. Lamson noted, however, that management was not asking for a decision that day as to whether lift decks should be included in the *Eagle's* mid-life refurbishment project, and he suggested that the Members discuss this subject further at next month's meeting when management will be giving a presentation on the project. Mr. Jones also recounted how the Port Council had discussed this subject at their last meeting, and observed that although many factors influenced the decision whether to install the lift decks, it ultimately came down to providing better service for the island. Mr. Huss agreed, saying that the lift decks would provide better customer service, particularly after previous trips had been cancelled.

Mr. Marshall also noted that it would be difficult to estimate accurately how much more revenue the Authority would derive from the lift decks, as some customers traveling on them otherwise would travel on later trips. Therefore, Mr. Marshall asked management if it could be determined whether particular sold-out trips were full due to reservations or taking standbys.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to adopt the 2010 Capital Budget as proposed by management in Staff Summary #A-514, dated November 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Disclosure by Robert B. Davis of a Potential Conflict of Interest:

Mr. Sayers recounted how Mr. Davis had disclosed to the Members the nature and circumstances of particular matters in which he would like to participate as the Authority's Treasurer/Comptroller but in which the Martha's Vineyard Savings Bank, the employer of his daughter, Jessica Davis, has a financial interest. Mr. Sayers stated that, in order for Mr. Davis to be able to participate in these matters, the Members must first vote to allow him to do so upon their determination that his and his daughter's financial interest in the matters is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from him. Mr. Sayers further stated that, if the Members do not believe that such a determination is appropriate, then they instead should instruct the General Manager to not only assign these matters to other employees at the Authority, but to also assume responsibility himself for supervising the employees in connection with these matters.

In response to a question from Mr. Marshall, Mr. Davis stated that his daughter does not have any ownership interest in the Martha's Vineyard Savings Bank. However, Mr. Hanover then advised the Members that he would not be participating in any consideration of this matter due to the fact that he is a trustee of the Martha's Vineyard Savings Bank. In response, Mr. Sayers suggested that, as an exercise of caution, the Members defer any further discussion of the matter until Mr. Hanover has an opportunity to submit his own written disclosure to his appointing authority, the Dukes County Commissioners.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to defer any consideration of the disclosure by Robert B. Davis of a potential conflict of interest in matters involving the Martha's Vineyard Savings Bank.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**65 %**	**0 %**

Mr. Hanover abstained from voting on Mr. Ranney's motion.

Procurement:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Marshall -- to award Contract #16-09, "Purchase and Deliver 226 Aluminum Flush Mount Anodes," to the lowest eligible and responsible bidder for the contract, Galvotec Alloys, Inc. of Harvey, Louisiana, for a total contract price of $61,329.44, as recommended by management in Staff Summary #E 2009-25, dated September 30, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to award Contract #17-09, "Roof Replacement – Vineyard Haven Terminal Building," to the lowest eligible and responsible bidder for the contract, CeMat Contracting Co., Inc. of New Bedford, Massachusetts, for a total contract price of $115,710, as recommended by management in Staff Summary #E 2009-23, dated November 10, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to award Contract #18-09, "Transfer Bridge Repairs – Fairhaven," to the lowest eligible and responsible bidder for the contract, Linberg Marine, Inc., of Fairhaven, Massachusetts, for a total contract price of $18,950, as recommended by management in Staff Summary #E 2009-26, dated September 30, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to award Contract #19-09, "M/V Governor – CAT D398 Overhaul Parts," to the lowest eligible and responsible bidder for the contract, C.P. Brodeur Inc. of New Bedford, Massachusetts, for a total contract price of $159,790.65, as recommended by management in Staff Summary #E 2009-27, dated November 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Hanover -- to award Contract #20-09, "Dry-dock and Overhaul Services for the M/V Nantucket," to the lowest eligible and responsible bidder for the contract, Thames Shipyard & Repair Company of New London, Connecticut, for a total contract price of $237,700, as recommended by management in Staff Summary #E 2009-21, dated November 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract #21-09, "Furnish, Deliver and Apply Structural Fire Protection Materials and Finishes onboard the M/V Nantucket," to the lowest eligible and responsible bidder for the contract, Anchor Insulation Co., Inc. of Pawtucket, Rhode Island, for a total contract price of $247,766, as recommended by management in Staff Summary #E 2009-21, dated November 12, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

In response to questions from the Members, Mr. Walker stated that, during the annual inspection after the mid-life refurbishment of the *Nantucket*, a U.S. Coast Guard inspector had noted that the freight deck on the vessel is a Category 7 space in which no passengers are allowed while the vessel is underway because of the lack of insulation under the deck. But Mr. Walker stated that the Coast Guard had also given the Authority written authorization to continue to allow passengers on the freight deck until the vessel's next dry-dock and repair period, at which time the freight deck must be upgraded to a Category 11 space (in which passengers are allowed while the vessel is underway) before the vessel can resume commercial operations.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to award Contract #26-09, "Supply and Deliver One Caterpillar C-18 Gen-Set Engine," to the lowest eligible and responsible bidder for the contract, Fairhaven Shipyard & Companies, Inc., of Fairhaven, Massachusetts, for a total contract price of $77,000, as recommended by management in Staff Summary #E 2009-28, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Marshall -- to award Contract #27-09, "Supply and Deliver Eight Dripless Mechanical Simplan Stern Seals," to the lowest eligible and responsible bidder for the contract, Simplex Americas, LLC of Flemington, New Jersey, for a total contract price of $77,400, as recommended by management in Staff Summary #E 2009-29, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract #28-09, "Supply and Deliver Seating and Miscellaneous Furniture for the M/V Martha's Vineyard," to the lowest eligible and responsible bidder for the contract, Beurteaux North America of Swansea, Massachusetts, for a total contract price of $132,149, as recommended by management in Staff Summary #E 2009-30, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

In response to a question from Mr. Hanover, Mr. Walker stated that the new seating provided under this contract will increase the number of seats on the *Martha's Vineyard* substantially.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to award Contract #29-09, "Nantucket Bulkhead Repairs," to the lowest eligible and responsible bidder for the contract, Linberg Marine Inc. of Fairhaven, Massachusetts, for a total contract price of $545,000, as recommended by management in Staff Summary #E 2009-24, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to award Contract #30-09, "Supply and Deliver 13 New EMD Fork and Blade Rod Power Assemblies," to the lowest eligible and responsible bidder for the contract, National Maintenance and Repair Company of Hartford, Illinois, for a total contract price of $80,030, as recommended by management in Staff Summary #E 2009-32, dated November 16, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to authorize the General Manager to award the following contracts to the lowest eligible and responsible bidder for each contract when bids for the contracts are opened over the course of the next few weeks:

(a) Contract #31-09, "Supply and Deliver Eight USCG Approved A-60 Fire Resistant Marine Doors and Frames";

(b) Contract #32-09, "Supply and Deliver Seating and Miscellaneous Furniture for the M/V Sankaty";

(c) Contract #33-09, "Supply and Deliver USCG Approved 90/10 Copper/Nickel Fittings and Viega SEAPRESS Jaw Kits and Assemblies for the M/V Martha's Vineyard Sprinkler System";

(d) Contract #34-09, "Supply and Deliver 10 Oil Containment Boom Sections in 100-Foot Lengths"; and

(e) Contract #35-09, "Supply and Deliver One Enerpac H-Frame Press."

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Mr. Lamson noted that the estimated cost of each of the contracts was under $100,000, and stated that he would provide a report to the Members regarding the award of each contract at their December 15, 2009 meeting.

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council had received an update from Mr. Walker regarding the Authority's capital projects, noting that the day before their meeting the Authority had been served with a cease and desist order from the Oak Bluffs Conservation Commission regarding the Authority's demolition of the Oak Bluffs terminal building, but that the order since has been lifted and work was continuing. Mr. Huss also reported that the Port Council had reviewed the proposed seating arrangements for the *Eagle*, and that Nantucket Port Council member Nathaniel Lowell had asked that there be more benches in the upper passenger areas so that passengers can lie down.

Mr. Huss also reported that the Port Council, after reviewing management's proposed 2010 Capital Budget, had voted to recommend its approval by the Members, and that they had another lengthy discussion about the Authority's policy of providing discounted fares to trucks carrying solid waste and recyclable materials off of the islands. In this regard, Mr. Huss noted that the Port Council felt the current policy was working very well for the Martha's Vineyard route, but that they had asked Mr. Lowell, together with management, to develop a new policy that he feels is appropriate for the Nantucket route so that the Port Council can then discuss this subject further.

After hearing Mr. Huss's report, Mr. Ranney declared that on behalf of the Members he wanted to thank the Port Council for the great job they do, and he observed that their work consistently was extremely helpful to the Members.

List of the Authority's Discounted Fares:

Mr. Ranney recounted how, at the Members' last meeting, Mr. Marshall had asked management for a list of all of the Authority's fares that differ from its regular fares, as well as the number of passengers who travel on each of those fares, so that the Members can determine what each fare's revenue implications are, and he asked how the preparation of that list was coming. In response, Mr. Lamson stated that management was working on it and that it should be finished and provided to the Members shortly.

Email Service Alerts:

Mr. Ranney also recounted how Ms. Claffey had reported at the Members' last meeting that the Authority was in the testing phase of its program to send email alerts informing customers of service disruptions, and he asked how that was coming along. In response, Ms. Claffey stated that the testing had been completed and that management was in the final stages of working out the logistics of the program.

Gift Cards:

Also in response to a request from Mr. Ranney, Mr. Davis stated that, at next month's meeting, he would report on the amount of gift cards sold by the Authority. Mr. Ranney also reminded Mr. Lamson not to forget the great ideas that Mr. Balco had suggested for an on-line Authority store.

Number of Seats on the M/V Eagle:

Mr. Ranney recounted how the Nantucket Elementary School recently had a contest in which one of the questions asked how many passengers can be carried on the *Eagle*. Mr. Ranney stated that, while the Authority's website did not contain the information, he was informed that the answer is 799 when he called Mr. Lamson.

Excursion Fare Policies:

Mr. Hanover stated that he was impressed with how the Authority was accommodating a constituent on the Martha's Vineyard route who was undergoing chemotherapy several days a week for a number of weeks. Mr. Hanover noted, however, that the only glitch was that the treatments extended beyond the 28-day deadline for an excursion fare, and he wondered whether that deadline could be extended for customers with these types of medical needs.

Mr. Ranney also asked management to consider increasing the number of days for which an excursion fare is valid, noting that he had received several requests to change the current 28-day deadline to 31 days. Mr. Ranney noted that increasing the deadline to 31 days would then make it more convenient for customers who travel off-island for a month.

Quasi-Public Authority Compensation Review Commission Report:

The Members then continued their discussion (which they had begun at their last meeting on October 20, 2009) of the recommendations that were made public in September 2009 by the Quasi-Public Authority Compensation Review Commission. At their last meeting, the Members had asked Mr. Sayers to draft a letter for them to the Inspector General informing him of all actions they have taken in response to the Commission's recommendations, and the Members agreed that the draft letter which Mr. Sayers had provided them covered virtually every position they had taken at their last meeting. However, Mr. O'Brien suggested that the Members' response to the Commission's Recommendation B include the establishment of a formal compensation committee comprised of all of the Members, even though it might be a mere formality.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to establish a formal Compensation Committee of the Members which shall be comprised of all of the Members.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Mr. Sayers then stated that he would revise the draft letter to include the Members' action that day and also to correct a few minor typographical errors so that it can be finalized and signed by the Members at their meeting next month.

Public Comment:

On behalf of the Members, Mr. O'Brien recognized the cadets from the Massachusetts Maritime Academy who were in the audience that day. In response to questions from the Members, Mr. Flanagan noted that the cadets were majors in international maritime business and, as shown today, were obtaining first hand information for their classes that will also be useful to them in their future careers.

Mr. Flanagan also commended the Authority's recent announcement that it is acquiring four parcels of property on Thomas B. Landers Road for the purpose of consolidating its off-site seasonal parking lots. Mr. Flanagan noted that the new consolidated lot will greatly reduce traffic congestion on Gifford Street and Brick Kiln Road, and will increase the utilization of the Authority's shuttle buses. Declaring that it is a great project that is truly appreciated by the community, Mr. Flanagan asked the Members to implement it as soon as possible.

At approximately 11:10 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, the deployment of security personnel and devices, contract negotiations with nonunion personnel, and the investigation of charges of criminal misconduct and the filing of criminal complaints.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

November 24, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 24th day of November, 2009, beginning at 10:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. Three Members were present: Chairman Robert L. O'Brien of Barnstable; Secretary Robert S. Marshall of Falmouth; and H. Flint Ranney of Nantucket. Vice Chairman Marc N. Hanover of Dukes County and John A. Tierney of New Bedford were not present.

Port Council member Robert R. Jones of Barnstable was also present, as were the following members of management: Treasurer/Comptroller Robert B. Davis and General Counsel Steven M. Sayers.

Disclosure by Robert B. Davis of a Potential Conflict of Interest:

Mr. Sayers recounted how Mr. Davis had disclosed to the Members the nature and circumstances of particular matters in which he would like to participate as the Authority's Treasurer/Comptroller but in which the Martha's Vineyard Savings Bank, the employer of his daughter, Jessica Davis, has a financial interest, as described in the letters attached to Staff Summary #L-386, dated November 12, 2009. Mr. Sayers stated that, in order for Mr. Davis to be able to participate in these matters, the Members must first vote to allow him to do so upon their determination that his and his daughter's financial interest in the matters is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from him. Mr. Sayers further stated that, if the Members do not believe that such a determination is appropriate, then they instead should instruct the General Manager to not only assign these matters to other employees at the Authority, but to also assume responsibility himself for supervising the employees in connection with these matters.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to determine that Robert B. Davis may participate in the matters disclosed in his January 23, 2009 and November 10, 2009 letters as the Authority's Treasurer/ Comptroller because his and his daughter's financial interest in the matters is not so substantial as to be deemed likely to affect the integrity of the services which the Authority and the Commonwealth of Massachusetts may expect from him, as recommended by the General Manager and the General Counsel in Staff Summary #L-386, dated November 12, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**55 %**	**0 %**

Authorization to Establish Account
with the Martha's Vineyard Savings Bank:

Mr. Sayers then advised the Members that General Manager Wayne C. Lamson had requested that they adopt the resolutions attached to Staff Summary #GM-547, dated November 19, 2009, relative to establishing a depository account with the Martha's Vineyard Savings Bank, and authorizing the designated individuals to lease one or more safe deposit boxes, enter into a night depository agreement, a lockbox agreement and a cash management agreement (including agreements for automatic transfers, also known as "sweeps") with the Martha's Vineyard Savings Bank, and to exercise all rights and be subject to all responsibilities under those agreements. Mr. Marshall stated that he agreed with Mr. Lamson's request, declaring that the more the Authority uses local banks, the better off it will be.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Marshall -- to adopt the resolutions attached to Staff Summary #GM-547, dated November 19, 2009, relative to establishing a depository account with the Martha's Vineyard Savings Bank, and authorizing the designated individuals to lease one or more safe deposit boxes, enter into a night depository agreement, a lockbox agreement and a cash management agreement (including agreements for automatic transfers, also known as "sweeps") with the Martha's Vineyard Savings Bank, and to exercise all rights and be subject to all responsibilities under those agreements, as recommended by management in that staff summary.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Marshall	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**55 %**	**0 %**

At approximately 10:47 a.m., upon Mr. Marshall's motion, seconded by Mr. Ranney, the Members then voted unanimously to adjourn the meeting.

A TRUE RECORD

ROBERT S. MARSHALL, Secretary

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

December 15, 2009

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of December, 2009, beginning at 9:30 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located on Water Street, Woods Hole, Massachusetts. All five Members were present: Chairman Robert L. O'Brien of Barnstable; Vice Chairman Marc N. Hanover of Dukes County; Secretary Robert S. Marshall of Falmouth; John A. Tierney of New Bedford; and H. Flint Ranney of Nantucket.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman S. Eric Asendorf of Falmouth, Port Council Secretary George J. Balco of Tisbury, and Port Council members Robert R. Jones of Barnstable, Frank J. Rezendes of Fairhaven and Jessica Fernandes of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Marketing Kimberlee McHugh; Director of Information Technologies Mary T.H. Claffey; Director of Terminal and Parking Operations Mark K. Rozum; Manager of Reservations and Community Relations Gina L. Barboza; Port Captain Charles G. Gifford; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

<u>Election of Officers</u>:

Mr. O'Brien announces that, in accordance with the Authority's Enabling Act, Marc N. Hanover, as the Authority's Dukes County Member, automatically will become the Authority's Chairman for the year 2010. Mr. O'Brien then entertains motions for the election of the remainder of the Authority's officers for the upcoming year.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to elect Robert S. Marshall to serve as the Authority's Vice Chairman for the year 2010.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover-- to elect John A. Tierney to serve as the Authority's Secretary for the year 2010.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Minutes:

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on November 17, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on November 24, 2009.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Marshall	10 %	
Mr. Ranney	35 %	
TOTAL	55 %	0 %

Both Messrs. Hanover and Tierney abstained from voting on the minutes of the Members' meeting in public session on November 24, 2009.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for October 2009, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that, during the month, the Authority carried fewer passengers (down 6.3%), fewer automobiles (down 0.5%), and fewer trucks (down 6.1%) than during the same month in 2008. Mr. Lamson also reported that, although the Authority's operating revenues for the month were almost $1,300,000 lower than what had been projected, that decline was partially offset from the Authority's operating expenses for the month also being almost $900,000 lower than projected, with one of the biggest savings being the cost of vessel fuel oil, where the Authority's actual expenses were $358,000 lower than projected.

Mr. Lamson reported that the Authority's net operating loss for the month of October had been $59,000, around $402,000 worse than projected, and that the year-to-date operating income through October had been $11,925,000, around $2,777,000 higher than projected.

Hyannis Terminal Slip Improvements Project:

Mr. Walker reported that the Hyannis Terminal Slip Improvements Project was proceeding very well. Specifically, Mr. Walker said, AGM Marine Contractors was estimating that it was two to three weeks ahead of schedule and that, if it is able to continue at this pace the entire project may be completed by April 2010. However, Mr. Walker noted that this would depend upon, among other things, the weather this coming winter.

In response to a question from Mr. O'Brien, Mr. Walker stated that the pile driving operations had not caused any problems with the terminal building's foundation, probably due to the fact that the Authority was using "spin fin" piles instead of the straight piles that had been driven when the terminal was reconstructed in the 1990s. Mr. Walker noted that the "spin fin" piles are only driven around 50 feet deep, while previously the straight piles had been driven as much as 120 feet deep before they reached resistance.

Oak Bluffs Terminal Reconstruction Project:

Mr. Walker reported that the east and south walls of the Oak Bluffs terminal building's foundation had cracked to the point where they have to be replaced with two new walls. Mr. Walker further reported that CRC Co., the contractor doing the pier work, had finished demolishing the old walls, and that Nauset Construction Corp., the contractor doing the terminal building work, was finalizing the forms for the new walls, which will be poured later that week. Mr. Walker also noted that, as a result of this damage, there will be significant cost increases for the project, which will include change orders not only for the additional work, but also to accelerate the project schedule to make up for the four weeks of delay caused by the damage so that the project can still be completed by April 30, 2010.

Woods Hole Terminal Center Dolphin:

Mr. Walker reported that the barge for the Woods Hole terminal center dolphin project had arrived in Woods Hole that week and, as a result, Slip #2 would be shut down for the following two to three weeks while the eight-foot-diameter monopole is driven and the fenders are installed. Mr. Walker also reported that the contractor was in the process of determining the best spot to drive the monopile, which will be as close to shore as possible beyond the bedrock between the two slips

Mr. Marshall asked whether the Authority's operating schedule would be affected by the fact that all of the vessels will have to dock in Slip #1 during the construction work. In response, Mr. Walker stated that the only impact will be the need for the freight boat to run a little behind schedule.

Tisbury Park and Ride Service Agreement:

Mr. Lamson then requested that the Members approve the renewal of the Authority's agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority governing the operation of the Tisbury Park and Ride service for the 2010 calendar year on the same terms and conditions as those that governed the service in 2009. Mr. Lamson noted that, under the agreement, the Authority reimburses the Transit Authority for 50% of its direct labor and fuel costs attributable to the service plus $200 per month to cover maintenance, insurance and other indirect costs. In return, Mr. Lamson said, the Transit Authority is required to operate the service each day of the year except Thanksgiving and Christmas, when the Authority makes its own arrangements to transport customers between the Vineyard Haven terminal and the Tisbury Park and Ride lot. Mr. Lamson noted that, in 2008, the service carried around 111,000 passengers at a cost to the Authority of around $70,000, and that the Authority expected to contribute around $65,000 for the service in 2009.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to approve and authorize the General Manager to execute a new one-year agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority pertaining to the operation of the Tisbury Park and Ride Lot, in the form attached to Staff Summary #GM-548, dated December 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Vineyard Haven Bus Shelters:

Mr. Lamson then requested that the Members approve an agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority allowing the Town to install two bus shelters at the Vineyard Haven terminal for use by passengers waiting for buses operated by the Transit Authority. Under the agreement, Mr. Lamson said, the Town will be responsible for the cost of erecting and maintaining the bus shelters, and will be allowed to keep them on the Authority's property for at least five years. Mr. Lamson also noted that the Town is using funds from the 50¢-per-passenger embarkation fees it has received from ferry operators providing service from Vineyard Haven to pay for the shelters.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve and authorize the General Manager to execute an agreement with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority pertaining to the installation of two bus shelters at the Authority's Vineyard Haven terminal, in substantially the form attached to Staff Summary #GM-549, dated December 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Martha's Vineyard Regional High School District:

Mr. Lamson then requested that the Members approve the renewal of the Authority's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2010 through June 30, 2011. Mr. Lamson recounted how every year the Authority enters into the agreement with the District to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1). Mr. Lamson also noted how the fixed price is intended to reflect approximately a 50% discount over applicable tariff rates, and that last year's agreement had established a fixed price of $60,000. However, because the Authority's records indicated that, during the District's most recent fiscal year, the Authority provided the District with only $111,532 of transportation, Mr. Lamson stated that management was recommending the Authority lower the fixed price to $55,000, which approximates the 50% discount normally given to the Nantucket Public Schools.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Tierney -- to authorize the General Manager to execute a new transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation, for a fixed price of $55,000 for the period from July 1, 2010 through June 30, 2011, in substantially the form attached to Staff Summary #A-515, dated December 9, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Excursion Fare Policies:

Mr. Lamson then requested that the Members approve management's recommendation to enlarge the time period within which island residents are required to make their return trip to the island in order to be eligible for an excursion fare. Mr. Lamson recounted how individuals traveling on excursion fares are required to make their return trips to the island within 27 calendar days from the date they leave the island. Thus, Mr. Lamson said, if they leave the island on December 1st, they have to return to the island by December 28th in order to be eligible for the excursion fare. Mr. Lamson stated that management was recommending that they instead be allowed to return to the island within as many as 30 calendar days, or as late as December 31st for those who leave the island on December 1st.

Mr. Lamson also noted that most islanders who travel at the excursion rate currently return within a few days of leaving the island, with most Martha's Vineyard residents returning within three days and most Nantucket residents returning within eight days. As a result, Mr. Lamson said, this change was not expected to have any noticeable impact on the Authority's overall revenue base. However, Mr. Lamson observed that it would allow island residents traveling on excursion fares to leave the island on a Friday and have five weekends away before required to return to the island on a Sunday 30 days later.

Mr. Hanover stated that enlarging the time period for excursion fares from 28 days to 31 days was not that important to him. Rather, Mr. Hanover noted, he had asked that Ms. Barboza and her supervisors, at their discretion, be authorized to enlarge the time period for customers who need a longer period to return to the island for medical reasons or other hardships. When Mr. Lamson assured Mr. Hanover that this authorization already existed under current Authority policies, Mr. Hanover asked that a better attempt be made to communicate this to those customers who need this type of accommodation.

IT WAS VOTED -- upon Mr. Tierney's motion, seconded by Mr. Ranney -- to enlarge the time period within which island residents are required to make their return tip to the island in order to be eligible for an excursion fare from 28 calendar days to 31 calendar days, as recommended in Staff Summary #GM-551, dated December 10, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Sale of $10,000,000 Steamship Bonds:

Mr. Davis reported that, pursuant to the Bond Resolution that the Members had adopted the previous month, the Authority sold $10,000,000 of Steamship Bonds on a sealed bid basis on December 1, 2009. Mr. Davis also reported that five bids had been received, and that the bonds were awarded to Fidelity Capital Markets of Boston, Massachusetts, because it offered to purchase the bonds at the lowest true interest cost of 3.548%. Mr. Davis noted that, after the closing on these bonds is held on December 17, 2009, the Authority will have a total of $66,530,000 of bonds outstanding with a maximum bond authorization of $75,000,000. In response to Mr. O'Brien's request, Mr. Davis also stated that he would provide the Members with an overview of the bonds that the Authority has outstanding, including a chart showing when they retire by year and how much additional bond authorization will then be available.

Multi-Ride Ticket Book Sales:

Mr. Davis then reported that, during the first eleven months of 2009, the Authority had sold 3,609 ten-ride ticket books for the *Iyanough*, representing an 8.5% increase in book sales over the same period in 2008.

Mr. Davis further reported that, during the first eleven months of 2009, the Authority had sold 96 six-ride automobile ticket books for the Nantucket route with a two-year expiration date (of which 66% of the coupons in those books already have been used), and three six-ride automobile ticket books for the Nantucket with no expiration date. By contrast, Mr. Davis said, during the same period the Authority sold 778 ten-ride automobile ticket books for the Martha's Vineyard route (of which 90% of the coupons in those books already have been used).

Gift Cards:

Mr. Davis reported that, with two weeks still left in 2009, the Authority already had sold 568 gift cards that year, totaling $51,468, representing a 4% increase in gift cards and certificates sold in 2008 and a 4.5% increase in the dollar amount sold.

Treasurer's Report:

Mr. Davis then reported that the Authority's net operating loss for the month of November 2009 was expected to be approximately $2,700,000, which is around $1,000,000 worse than what was budgeted due primarily to revenues for the month being $700,000 lower than projected. However, Mr. Davis said, the Authority's net operating income for the first eleven months of the year was expected to be around $9,200,000, which was around $1,800,000 higher than projected, although he noted that, because the Authority had accelerated a number of maintenance projects from 2010 into the December 2009, he anticipated that the Authority's net operating income for the year ultimately will end up somewhere between $3,500,000 and $4,000,000, slightly lower than what had been budgeted.

Procurement:

Mr. Lamson then recounted how the Members, at their previous month's meeting, had authorized him to award a number of contracts to the lowest eligible and responsible bidder for each contract when bids were opened over the course of the last few weeks. Mr. Lamson stated that, pursuant to that authorization, he had awarded all of those contracts to the lowest eligible and responsible bidders for them as follows:

(a) Contract #31-09, "Supply and Deliver Eight USCG Approved A-60 Fire Resistant Marine Doors and Frames," was awarded to Deansteel Manufacturing, Inc. of San Antonio, Texas, for a total contract price of $28,780. (The original estimate was $35,000.)

(b) Contract #32-09, "Supply and Deliver Seating and Miscellaneous Furniture for the M/V Sankaty," was awarded to Beurteauz North America of Swansea, Massachusetts, for a total contract price of $45,073. (The original estimate was $40,000.)

(c) Contract #33-09, "Supply and Deliver USCG Approved 90/10 Copper/Nickel Fittings and Viega SEAPRESS Jaw Kits and Assemblies for the M/V Martha's Vineyard Sprinkler System," was awarded to W & O Supply of Folcroft, Pennsylvania, for a total contract price of $92,300.41. (The original estimate was $90,000.)

(d) Contract #34-09, "Supply and Deliver 10 Oil Containment Boom Sections in 100-Foot Lengths," was awarded to Needham Industrial

Sales of Framingham, Massachusetts, for a total contract price of $11,600. (The original estimate was $15,000.)

(e) Contract #35-09, "Supply and Deliver One Enerpac H-Frame Press," was awarded to W.W. Grainger Inc. of Taunton, Massachusetts, for a total contract price of $12,700. (The original estimate was $15,000.)

Mr. Lamson then requested that the Members award Contract #36-09, "Supply and Deliver Ten Evinrude E-tec Outboard Engines," to the lowest eligible and responsible bidder for the contract, Eagle Marine Inc. of Sagamore Beach, Massachusetts, for a total contract price of $25,570, noting that the original estimate for the contract was $30,000. In response to a question from Mr. Jones, Mr. Walker stated that management had selected Evinrude engines because they were able to be serviced by a local firm in Hyannis. Mr. Walker also stated that management had selected two-stroke engines instead of four-stroke engines because their cost and reliability were the best fit for the Authority's needs, and they were already working well on the *Island Home*. By contrast, Mr. Walker said, the Authority has had difficulty at times starting four-stroke engines and, even then, they require a warm-up period before operating sufficiently. Mr. Walker stated that the Authority would keep the used four-stroke engines for work boats and the Maintenance Department, as their trade-in value was so little (around $250 apiece).

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Ranney -- to award Contract #36-09, "Supply and Deliver Ten Evinrude E-tec Outboard Engines," to the lowest eligible and responsible bidder for the contract, Eagle Marine Inc. of Sagamore Beach, Massachusetts, for a total contract price of $25,570, as recommended by management in Staff Summary #E 2009-33, dated December 10, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Mr. Lamson asked the Members for approval to exercise an option under Contract #24-08 for the purchase and delivery of two additional passenger heavy duty transit buses with wheelchair lifts from Northern Bus Sales, Inc. of Hudson, New Hampshire, who had been the lowest eligible and responsible bidder for this contract, for a total contract price of $260,594, noting that the Authority previously had bought three buses from Northern Bus Sales, Inc. under this contract earlier in the year. Mr. Walker also noted that management had selected buses with diesel engines because there was not a sufficient fueling station in the area for propane.

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Hanover -- to exercise an option under Contract #24-08 for the purchase and delivery of two additional passenger heavy duty transit buses with wheelchair lifts from Northern Bus Sales, Inc. of Hudson, New Hampshire, who had been the lowest eligible and responsible bidder for this contract, for a total contract price of $260,594, as recommended by management in Staff Summary #TPF-2009-4, dated December 10, 2009.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

Port Council's Report:

Mr. Huss reported that, at their last meeting, the Port Council had received an update from Mr. Walker regarding the Authority's capital projects, noting that the day before their meeting the Authority had been served with a cease and desist order from the Oak Bluffs Conservation Commission regarding the Authority's demolition of the Oak Bluffs terminal building, but that the order since has been lifted and work was continuing. Mr. Huss also reported that the Port Council had reviewed the proposed seating arrangements for the *Eagle*, and that Nantucket Port Council member Nathaniel Lowell had asked that there be more benches in the upper passenger areas so that passengers can lie down.

Mr. Huss also reported that, at their last meeting, the Port Council had been updated on the status of the Authority's current capital projects, had deferred further discussion about the Authority's policy of providing discounted fares to trucks carrying solid waste and recyclable materials off of the islands until management could discuss the subject with Nantucket Port Council member Nathaniel Lowell, had voted to recommend that the Members approve management proposed agreements with the Town of Tisbury and the Martha's Vineyard Regional Transit Authority for the operation of the Tisbury Park and Ride Lot during 2010 and the installation of bus shelters at the Vineyard Haven terminal, and had also voted to recommend that the Members approve management's proposed transportation agreement with the Martha's Vineyard Regional School District.

Mr. Huss further reported that the Port Council had discussed the possibility that the Town of Tisbury may start barging its trash off of the island to New Bedford for the purpose of sending it by rail to Pennsylvania, and noted that because the subject potentially concerned not only all of the island towns but New Bedford as well, he expected that the Port Council would continue to discuss it at future meetings. In addition, Mr. Huss said, Brian Braginton-Smith, the Executive Director of the Lewis Bay Research Center, had informed the Port Council of the Center's efforts to restore the natural channel of Lewis Bay, and had advised them that information regarding current sea and weather conditions at Fiddlehead Rock would soon be available from a station at that location through its website, www.lewisbay.org.

Finally, Mr. Huss reported that the Port Council had elected their officers for the 2010 calendar year, and that Mr. Asendorf will be serving as the Port Council's Chairman, Mr. Huss will be Vice Chairman, and Mr. Balco will continue to be the Secretary.

Quasi-Public Authority Compensation Review Commission Report:

The Members then continued their discussion (which they had begun at their meeting on October 20, 2009 and had continued at their last meeting on November 17, 2009) of the recommendations that were made public in September 2009 by the Quasi-Public Authority Compensation Review Commission.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to send a letter to Inspector General Gregory W. Sullivan informing him of all actions the Members have taken in response to the Quasi-Public Authority Compensation Review Commission's recommendations, in the form provided to the Members by the General Counsel with his December 9, 2009 memorandum.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

Old Business:

Mr. Ranney recounted how, five years ago at their December 17, 2004 meeting, the Members had appointed Mr. Lamson to be the Authority's General Manager as a birthday present to him and as a Christmas present to the Authority. Mr. Ranney declared that this was one of the best decisions the Members had made, and on behalf of the Members thanked Mr. Lamson for everything he has accomplished over the years.

Mr. Ranney then also thanked Mr. O'Brien for the gracious and efficient manner he had conducted the Members' meetings in 2009, and observed that Mr. O'Brien was stepping down as Chairman with the Authority being in a better position than it had been at the beginning of 2009.

Email Service Alerts:

In response to a question from Mr. Ranney, Ms. Claffey stated that 111 individuals already had signed up to receive the Authority's email alerts, and that 72 of those individuals were island residents.

Proposed 2010 Authority Meeting Schedule:

IT WAS VOTED -- upon Mr. Marshall's motion, seconded by Mr. Tierney -- to adopt the proposed 2010 Authority Meeting Schedule, as set forth in a memorandum to the Members, dated December 2009, except that the January 2010 meeting shall be held on January 12, 2010 instead of January 20, 2010 and the February 2010 meeting shall be held on February 23, 2010 instead of February 16, 2010, and with the understanding that the schedule is flexible and subject to change.

VOTING	AYE	NAY
Mr. O'Brien	10 %	
Mr. Hanover	35 %	
Mr. Marshall	10 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
TOTAL	100 %	0 %

New Bedford – Woods Hole Ferry Service:

Mr. Lamson then reported that the commencement of the New Bedford – Woods Hole ferry service had been postponed from November 30, 2009 to the beginning of January 2010 for marketing reasons, and that management was continuing to work out all of the logistics for the service with the New Bedford Harbor Development Commission and Jono Billings, President of Cuttyhunk Ferry Company, Inc. Mr. Lamson also reported that, under the agreed-upon schedule, in the morning the *Cuttyhunk* will leave New Bedford every weekday at 6:30 a.m., arrive at Woods Hole by 7:30 a.m. (before the arrival of the *Island Home*), and leave back for New Bedford at 7:35 a.m; and in the afternoon, it will arrive at Woods Hole at 4:35 p.m. (after the arrival of the *Martha's Vineyard*) and leave at 4:40 p.m. Mr. Lamson further noted that the parties would be meeting with the Architectural Access Board to make certain that the service complies with all applicable accessibility regulations.

Public Comment:

In response to a question from *Martha's Vineyard Times* reporter Nelson Sigelman, Mr. Lamson stated that the Authority already had agreed upon new collective bargaining agreements with the union that represents Authority employees in two of its bargaining units whose prior contracts had expired that year. Indeed, Mr. Lamson said, the parties had reached agreement on the new contracts even before the prior contracts had expired. However, Mr. Lamson stated that the employees in another bargaining unit had twice failed to ratify tentative new collective bargaining agreements the Authority had reached with their union, even though their prior contract similarly had expired earlier in the year.

At approximately 10:25 a.m., Mr. O'Brien entertained a motion to go into executive session and announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase, exchange, lease and value of real estate, the deployment of security personnel and devices, contract negotiations with nonunion personnel, and the investigation of charges of criminal misconduct and the filing of criminal complaints.

VOTING	**AYE**	**NAY**
Mr. O'Brien	**10 %**	
Mr. Hanover	**35 %**	
Mr. Marshall	**10 %**	
Mr. Tierney	**10 %**	
Mr. Ranney	**35 %**	
TOTAL	**100 %**	**0 %**

A TRUE RECORD

ROBERT S. MARSHALL, Secretary