

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

The Meeting in Public Session

January 20, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of January, 2015, beginning at 9:30 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. All four Members were present: Chairman Marc N. Hanover of Dukes County; Secretary John A. Tierney of New Bedford (who participated remotely by telephone conference call); Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Vice Chairman Robert V. Huss of Oak Bluffs; 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 Terminal and Parking Operations Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Port Captain Charles G. Gifford; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Security Lawrence S. Ferreira; and Director of Human Resources Phillip J. Parent.

Catherine N. Norton:

The Members observed a moment of silence in memory and honor of Falmouth Member Catherine N. ("Cathy") Norton, who had passed away the previous month. Mr. Hanover observed that, although Ms. Norton had been Falmouth's representative on the Authority for less than a year, she had made tremendous contributions to the Authority and to its port community of Woods Hole. Among other things, Mr. Hanover noted, Ms. Norton had guided the Authority through the final stages of its feasibility study for the reconstruction of the Woods Hole terminal, making certain that the Authority's consensus design concept considered and addressed the concerns of Woods Hole residents as much as possible. Mr. Hanover stated that Ms. Norton already had been, and will continue to be, sorely missed.

After recognizing Falmouth Selectman Rebecca Moffitt and Dukes County Commissioner Leon Brathwaite in the audience, Mr. Hanover stated that this year he would like to include the Port Council's input during the Members' discussion of particular agenda items during the course of each meeting, instead of waiting to hear the Port Council's report at the end of the meeting. The other Members agreed with this approach.

Mr. Tierney's Remote Participation in the Meeting:

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

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on December 11, 2014.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

Petition to Repeal or Suspend the January 1, 2015 Rate Increase:

After Mr. Hanover stated that he would like to discuss the online petition to repeal or suspend the Authority's January 1, 2015 rate increase out of order so that everyone who was present at the meeting will have ample opportunity to speak, Mr. Lamson recounted how Oak Bluffs resident Todd Rebello had given him the petition the prior week and how, in December 2014, he had informed a newspaper reporter that he was not going to recommend that the Authority repeal or suspend any of its recent rate increases, which were intended to raise an additional \$1,900,000 of revenue for the Authority this year (\$1,400,000 from the Martha's Vineyard route and \$500,000 from the Nantucket route). Mr. Lamson noted that the petition had been signed by approximately 3,000 people (including island residents, other Massachusetts residents and people from out of state) and is based upon the fact that, since those rate increases were approved last October, the cost of oil has fallen from around \$83 per barrel to \$49 per barrel.

Nevertheless, Mr. Lamson stated that management was maintaining its recommendation that no changes be made to the rate increases due to the continuing uncertainty over what oil prices will be for the upcoming year and the fact that, since the 2015 Operating Budget was approved, the Authority already has incurred substantial expenses this year that were not included in this year's budget. For example, Mr. Lamson said, the contract to replace the two dolphins at the Vineyard Haven terminal is costing \$495,000 more than budgeted; the contract to repair the Oak Bluffs dock is costing \$390,000 more than budgeted; and the contract to dry-dock the *M/V Island Home* this upcoming spring is costing \$450,000 more than budgeted. Thus, Mr. Lamson observed, those three contracts alone already have offset \$1,335,000 of any savings the SSA may realize this year from the recent and unexpected decline in oil prices.

Mr. Lamson also acknowledged that, if the average price of oil turns out to be \$65 per barrel this year, the Authority will spend around \$2,600,000 less on vessel fuel than budgeted (with 39%, or a little more than \$1,000,000, of that savings allocated to the Martha's Vineyard route and 61%, or almost \$1,600,000, of that savings allocated to the Nantucket route). But Mr. Lamson noted that current forecasts were for the price of oil to rise to \$70 to \$75 per barrel by spring, and that the price could rise even higher by summer, which is when the Authority begins to incur most of its vessel fuel expense.

Mr. Lamson also noted that, even if the Authority were to finish the 2015 calendar year with a higher surplus than projected, the additional monies will be transferred to the Authority's Replacement Fund to reduce the need to issue

bonds for future capital improvements. Mr. Lamson further noted that, over the last five years, the Authority has transferred an average of \$8,900,000 per year to the Replacement Fund and that, by contrast, under the 2015 Operating Budget that was approved last fall (before the recent drop in oil prices), the Authority's budget estimate was that less than \$6,000,000 will be transferred to the Replacement Fund in 2015. In addition, Mr. Lamson said, over the last five years, the Authority's rates, as a percentage of its total operating revenues, had increased at an average annual rate of only 1.58% (and, over the last seven years, at an average annual rate of 1.13%).

Mr. Hanover also noted that he had asked management to break out how much of the increase in excursion rates on the Martha's Vineyard route was attributable to the projected cost of fuel oil, and that it had amounted to only seven cents of every dollar.

Mr. Rebello then recounted how, at the Authority's October 2014 meeting when the rate increases had been approved, he had questioned the need to raise rates based upon management's proposed fuel budget, and subsequently how he watched fuel prices fall even farther. At that point, Mr. Rebello said, he knew that island voices needed to be heard and that there needed to be more of a public discussion, and he also believed that ultimately the Authority's rate increases were not justified. While Mr. Rebello acknowledged that he had been enlightened about a couple of things, he stated that he still disagreed with a number of things and that he had come up with the petition because he had wanted a sampling of public opinion, there was a need for public awareness, and the public was not receiving the necessary feedback from the Authority.

Mr. Rebello also took issue with statements that Mr. Hanover had made about how the Authority had not raised rates over the previous four years, noting that the Authority had raised parking rates in 2013 (so that there was no longer any incentive for people to leave their cars behind on the mainland), had raised excursion rates for longer vehicles (namely, trucks), and had raised the rates for parking permits. Further, Mr. Rebello said, he realized that the recent rate increases would not result in a multi-million dollar surplus for the Authority, as he knew that the Authority will find other ways to spend that money by the end of 2015. Finally, Mr. Rebello declared that the Authority was misleading the public by defending the increases based upon the continued volatility of fuel prices, observing that the Authority had hedged the price of its fuel for the remainder of 2015 and was protected even if the price of oil were to increase to \$100 per barrel.

Mr. Hanover disagreed with Mr. Rebello, observing that the only people benefiting from the Authority's actions were the ratepayers. But Mr. Rebello declared that the 3,000 people who signed the petition without any campaign had yelled as loud as they could and that they will yell even louder going forward. Mr. Rebello also stated that the amount the Authority will save from the decline in fuel prices will be more than enough to cover its other increased expenses without the need for a rate increase, and that the Authority instead would be using that money to pay down its debt so that it can then go back and borrow more money.

But Mr. Hanover noted that the Authority had to spend money on capital projects because the same people who signed the petition want the Authority to have reliable and clean boats and terminals and to function at its best capacity. In response, Mr. Rebello declared that building an office building in Falmouth was not going to affect the way he travels back and forth on the boats and that building a new terminal was not going to affect how he gets home. Mr. Rebello also stated that the people who signed the petition will come to the public hearing that Mr. Hanover will be holding on Martha's Vineyard because they see the validity of the petition and agree that there needs to be more public input.

West Tisbury resident Thomas Hodgson, who noted that he has been riding on the Authority's boats for 66 years, observed that almost ten percent of Martha's Vineyard residents had signed the petition. Mr. Hodgson also stated that, while the decision whether to roll back the rate increases was up to the Authority, it would be nice not to have a rate increase, given how people on Martha's Vineyard were increasingly stressed by the high cost of travel back and forth to the mainland, which has been relentlessly increasing year after year. In this regard, Mr. Hodgson observed that parents who want to attend their children's off-island games have to spend up to \$100, not counting the cost of gasoline or food, and it represented a serious expense that was having an impact on them. Accordingly, Mr. Hodgson said, the Authority should be as economical and simple an operation as possible to provide island residents with adequate transportation.

Woods Hole Community Association Co-President Catherine Bumpus then provided the Members with a letter from West Tisbury resident Virginia C. Jones, in which Ms. Bumpus said Ms. Jones expressed her concerns about the Authority's "mission creep," her difficulty reaching Mr. Hanover and the Authority's perceived lack of openness, how it seems that things are getting bigger than they need to be, and how the Authority is providing more than just adequate transportation. But Mr. Hanover noted that the amount of transportation provided by the Authority is in response to the demand.

Ms. Bumpus then stated that she had taken a hard look at the cost of reconstructing the Woods Hole terminal, as set forth in the feasibility study, and that she did not believe the Authority would obtain an operational benefit for all of that money. Rather, Ms. Bumpus said, she thought the Authority should consider cutting the project in half and rebuilding only two of the three slips while leaving the administrative offices on the existing pier. Ms. Bumpus stated that, during construction when the Authority has only one operational slip, it can send most of its traffic to New Bedford, although it will have to underwrite the cost of that service by between \$3,000,000 and \$5,000,000 because the Authority will need to charge its rate payers the same fare even though running to New Bedford will cost more. Ultimately, Ms. Bumpus, said, it will be worth it because the Authority will save around \$30,000,000.

While Ms. Bumpus acknowledged that there are challenges to operating between New Bedford and Martha's Vineyard because it is a longer route, she observed that the Authority already has partnerships with its current licensees and she encouraged the Authority to look at it as a collaborative process. In addition, Ms. Bumpus said, she would be happy to help.

Another member of the audience stated that he agreed with everything that had been said and that the Authority needed to accommodate people in dire need. Falmouth resident Derek Bowser then complained that, as a neighbor to the Authority's Palmer Avenue parking lot operations, he had been living with its construction projects for two years, and is repeatedly subjected to late night conversations among Authority employees and the beeping of the Authority's shuttle buses backing up every 40 minutes or so. Mr. Lamson stated that he would look into Mr. Bowser's complaints, but noted that the new building at the parking lot will be located farther away from his home than the existing parking lot office and that in the future the Authority would also be storing most of its buses at another location on Thomas B. Landers Road.

Tisbury resident Marie Laursen then noted that the reason for all of the Authority's expansion was to respond to demand, but she declared that the Authority was creating the demand through all of its advertising. Ms. Laursen stated that the expansion of the boatline had been unchecked and that she sympathized with the people who live on or near Woods Hole Road because she has been part of the traffic. Ms. Laursen noted that every car which gets on the ferry gets off at Vineyard Haven, where there is just as much consternation as in Woods Hole because of the scary traffic conditions there during the summer. Indeed, Ms. Laursen said, she had even seen ambulances driving on sidewalks there.

Ms. Laursen stated that she hoped both Martha's Vineyard residents and Falmouth residents could sit down, talk about these issues, and work with the Authority to try to address some of these problems. Specifically, Ms. Laursen said, the Authority should not continue with its large advertising budget when the Vineyard was experiencing such terrible congestion. While Ms. Laursen acknowledged that the island's population is much larger than it was in the early 1990s and, as a result, there is more demand, she stated that she did not believe the Authority should respond to that demand and that she did not feel badly for someone who cannot obtain a reservation for a trip at 8:15 in the morning and has to take a 7:00 a.m. trip instead. Ms. Laursen observed that there was no longer a reduction in the number of boats during the winter the way there used to be, that there are a lot of boats running, and that people have a lot of choices. Accordingly, Ms. Laursen asked that the Authority put the brakes on just a little because the quality of life on the island was being affected by all of the cars coming back and forth.

Falmouth resident Ted Fitzelle declared that he hoped today would be a new dawn for the people who are being abused by more traffic, and that he also hoped everyone would get together and address reality, saying that he did not understand the Authority's refusal to operate out of New Bedford.

Mr. Hodgson then stated that the popularity of the petition reflected not as much people's discontent with what they are paying as what the public's perception is of the Authority. Mr. Hodgson acknowledged that the public appreciates the people who work for the Authority making certain that the boats run on time, but he observed that the Authority also has some serious failings as an organization. Accordingly, Mr. Hodgson asked the Members to open their minds and consider how they can better serve the traveling public, noting that one of the big perceptions is that the Authority does not want to be bothered with public comment and does not want to give out information.

Mr. Hodgson also noted that it would not take much for the Authority as an organization to become more open to people, and made one suggestion that the Authority include individuals' email addresses on its website. Mr. Hodgson recounted how it took him three hours to learn about the procedure to obtain complimentary tickets for today's meeting, and that no one can find any information on the Authority's website about the minutes of its meetings or its budget or any of the other paperwork with which the Members are intimately familiar. Indeed, Mr. Hodgson said, the "do not reply" message that is automatically sent to people who submit customer suggestions exemplifies the kind of alienation by the organization which turns people off.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for November 2014, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 3.3%), more automobiles (up 2.2%) and more trucks (up 1.3%) during the month than it had carried during the same month in 2013, and that these traffic figures included a 23.7% increase in the number of passengers carried that month on the Authority's high-speed ferry between Hyannis and Nantucket. Mr. Lamson also reported that the Authority's operating revenues and other income were \$134,000 higher in November 2014 than projected, and that its operating expenses and fixed charges were \$340,000 higher than budgeted, with most of the increases in expenses coming from a number of various maintenance expense line items. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$2,012,000, approximately \$206,000 higher than projected.

Mr. Lamson further reported that, for the first eleven months of 2014, the Authority's operating revenues and other income had been around \$3,659,000 higher than projected, and its operating expenses and fixed charges had been around \$1,552,000 lower than budgeted, with the Authority's vessel fuel expense being \$1,003,000 lower than budgeted due to a combination of fewer gallons consumed and a lower average cost per gallon than projected in the 2014 operating budget. As a result, Mr. Lamson said, the Authority's net operating income for the first eleven months of 2014 had been \$11,688,000, which was around \$5,211,000 higher than the amount projected in the Authority's 2014 operating budget.

Construction of the *M/V Woods Hole*:

Mr. Lamson reported that, the prior week, Mr. Walker, Port Engineer Stephen Clifford and Captain Edward Jackson of Marine Systems Corporation travelled to Conrad Shipyard, L.L.C. ("Conrad") in Morgan City, Louisiana, for their first meeting with Conrad regarding the construction of the Authority's new passenger/vehicle ferry, the *M/V Woods Hole*. Mr. Lamson stated that, at the meeting, they reviewed Conrad's proposed schedule for construction of the vessel, including the schedule for ordering equipment with long lead times, and came away from the shipyard with the feeling that the Authority has a very competent and experienced shipyard working on this project. Mr. Lamson noted that, if the vessel's construction proceeds according to Conrad's

schedule, the *M/V Woods Hole* will be delivered to the Authority's Fairhaven Vessel Maintenance Facility by the end of April 2016.

Palmer Avenue Parking Lot Improvements:

Mr. Lamson reported that, a few weeks ago, the newly poured foundation for the new modular building at the Authority's Palmer Avenue parking lot had cracked during the backfilling process and that the contractor will now have to replace the entire foundation at its own expense. However, Mr. Lamson stated that, despite this setback, the building is still expected to be completed before the beginning of the 2015 summer season and that the building will have an office, break room and lockers for the Authority's parking lot employees and shuttle bus drives, restrooms for employees and the public, a small customer waiting area and a counter area for a rental car company. Mr. Lamson also reported that, later this year, the Authority will be restriping the entire Palmer Avenue parking lot to increase the width of the parking lot spaces by one foot on each side.¹

Thomas B. Landers Road Parking Facility:

Mr. Lamson reported that work was also progressing for the Authority's new consolidated parking lot on Thomas B. Landers Road. Mr. Lamson stated that, while Lawrence-Lynch Corp. had encountered a number of boulders at the site, the work was still progressing on or ahead of schedule and that the facility was expected to be completed before the beginning of the 2015 summer schedule.

¹ Reporter's Note: Mr. Lamson misspoke regarding the increased width of each parking space at the Authority's Palmer Avenue parking lot. The width of each space will actually increase by six inches.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Lamson then reported that the foundation for the new modular building at the Authority's Fairhaven Vessel Maintenance Facility had been finished and that the contractor was now simply waiting for the utilities to be furnished from the street so that it can continue with the installation of the building. Mr. Lamson also noted that this building will be completed sometime this summer.

Woods Hole Terminal Reconstruction Feasibility Study:

Mr. Lamson then reported that the staff was continuing to work with Bertaux + Iwerks Architects, LLC ("B+I") to prepare B+I's design contract for the reconstruction of the Woods Hole terminal and relocation of the Authority's General Offices, which will include a fixed fee for B+I's basic services during the design and permitting phases, and that the staff hoped to have that contract finalized by early February so that it can then be presented to the Port Council and the Members for their consideration. Mr. Lamson also noted that B+I's feasibility study had done an excellent job explaining the need to reconstruct the Woods Hole terminal, and he said that he looked forward to presenting it to the public. For example, Mr. Lamson said, it is important for everyone to understand what the consequences would be if the Authority were limited to one operating slip in Woods Hole and it became unavailable for any reason, such as when a vessel is occupying the slip because of a mechanical problem and cannot return to service until the United States Coast Guard approves it. Mr. Lamson observed that those typical situations can last for hours, during which time the Authority would not be able to transport any ambulances and other vehicles to their destinations.

Competitive Sale of Steamship Bonds:

Mr. Davis reported that there will be delay in the competitive sale of the Steamship Bonds that were authorized at last month's Authority meeting because of the change in administrations at the State House. Mr. Davis noted that, when the Authority issues bonds, the Commonwealth of Massachusetts is required to provide a certification of the Commonwealth's financial condition, but that the new administration has indicated that it will not be in a position to provide such a certification until as late as March 2015. Mr. Davis said that,

as a result, the Authority has no choice but to delay the sale of the bonds until that time.

Mr. Davis also noted that, pursuant to Conrad's construction schedule, the first three payment milestones for the construction of the *M/V Woods Hole* will probably be reached before the Authority is able to issue the bonds. But Mr. Davis stated that, because he already had filed an official notice of intent to issue the bonds, he will be able to make those payments from the Authority's operations account, which will then be reimbursed after the bond proceeds are received.

Investment Policy:

Mr. Davis asked the Members to reauthorize the Authority's Investment Policy, which formally establishes the types of permitted investments that can be made with Authority funds. Mr. Davis advised the Members that the proposed policy, which must be formally adopted every two years in accordance with state regulations, is essentially the same as the policy that the Members previously approved in March 2013, and that it establishes the framework for the Authority's investments (fiscally conservative), identifies the types of permitted investments (government securities), and identifies risk avoidance.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to reauthorize the Authority's Investment Policy in the form attached to Staff Summary #A-580, dated January 13, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Purchase of Thomas B. Landers Parking Lot
Parking Access and Revenue Control System:

Mr. Lamson informed the Members that, in accordance with the authorization they had given him at their December meeting, earlier this month he had awarded Contract No. 01-2015 for a parking access and revenue control system for the Authority's new consolidated parking lot at Thomas B. Landers Road to the lowest eligible and responsible bidder for the contract, Amano McGann, Inc. of Charlestown, Massachusetts, for a total contract price of \$201,325. Mr. Lamson stated that the new system will have entrance and exit gates, loop counters, ticket dispensers, and card access, cashier stations and/or automated exit stations, all of which will be fully integrated into the same network as all of the Authority's other parking lot systems.

Purchase of Two 36-Passenger Transit Buses:

Mr. Lamson then asked for authorization to award Contract No. 04-2015 for two 36-passenger heavy-duty transit buses with wheelchair lifts to the lowest responsible and eligible bidder when bids for the contract are opened the following Friday, January 23, 2015. Mr. Lamson noted that the buses will be used to transport customers between the Woods Hole terminal and the Authority's off-site parking lots in Falmouth, and that the estimated cost for each bus is \$159,000, which means the budget estimate for the contract for two buses is \$318,000. Mr. Lamson also advised the Members that the contract will also provide the Authority with the option to purchase ten additional buses over the next five years at the successful bidder's bid price adjusted for any increase in the Producer Price Index for Total Manufacturing Industries (as well as for any increases due to changes in federal and state emission/environmental requirements), although the Authority will not be required to exercise that option.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to authorize the General Manager to award Contract No. 04-2015 for the supply and delivery of two (2) 36-passenger heavy-duty transit buses with wheelchair lifts to the lowest eligible and responsible bidder for the contract when bids for the contract are opened on January 23, 2015, as recommended by management in Staff Summary #TPF 2015-1, dated January 14, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

In response to a question from Mr. Hanover, Mr. Lamson stated that the Commonwealth of Massachusetts' Department of Energy Resources ("DER") was reviewing the application that OLEV Technologies, Inc. had submitted for a grant to provide the Authority with three battery-powered electric buses that will be recharged via wireless inductive charging, and that it appeared the DER, as a condition of the grant, was going to require that the grant money be paid directly to the Authority instead of to OLEV. Mr. Lamson further stated that, if the Authority were required to receive the grant money directly, it would then have to depreciate the cost of the buses, which would increase the cost of the buses to the point where it would be difficult to justify their acquisition, especially in light of the recent decline in oil prices.

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, Richard Larkin, President of Hedge Solutions, Inc., had provided the Port Council with a presentation on the Authority's fuel price hedging program, which showed the volatility of the oil market over the past ten years and how the Authority's program serves effectively to level the price of fuel oil that the Authority pays. Mr. Jones then thanked everyone in the audience for attending the Authority meeting today, and he observed that the important issues that the Authority needed to address was how to become more transparent and provide the public with more information. But Mr. Jones assured the audience that all of the Members always work for the betterment of their communities and that they take their concerns to heart. Mr. Jones also encouraged everyone to attend the Authority's and the Port Council's meetings, which he noted were both open to the public.

Public Comment:

Several members of the public commented on the need for the Authority to provide more information on its website so that the public can prepare for the Authority's meetings.

At approximately 11:00 a.m., Mr. Hanover entertained a motion to go into executive session to discuss the deployment of security personnel and devices, and strategies with respect thereto. Mr. Hanover also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and further 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 deployment of security personnel and devices, and strategies with respect thereto.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

A TRUE RECORD



JOHN A. TIERNEY, Secretary

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, January 20, 2015

**Marine Biological Laboratory's Candle House-Rooms 104 & 105
127 Water Street, Woods Hole, MA**

- 1. Agenda**
- 2. Minutes of the December 11, 2015 Meeting in Public Session**
- 3. Business Summary for the Month of November, 2014**
- 4. Staff Summary #A-580 dated January 13, 2015 – Reauthorization of the Authority's Investment Policy**
- 5. Staff Summary #GM-650 dated January 13, 2015 – Award of Contract No. 1-2015 "Automated Parking Lot Equipment"**
- 6. Staff Summary #TPF 2015-1 dated January 15, 2015 – Request for Authorization to Award Contract No. 4-2015 "Supply and Deliver (2) Two 36 Passenger Heavy Duty Transit Buses"**
- 7. Staff Summary #GM-651 dated January 14, 2015 – MoveOn.org Petition**
- 8. January 7, 2015 Port Council Minutes**
- 9. Two Letters from the Public were submitted.**

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

The Meeting in Public Session

March 10, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 10th day of March, 2015, beginning at 6:00 p.m., in the Martha's Vineyard Performing Arts Center, located at 100 Edgartown – Vineyard Haven Road, Oak Bluffs, Massachusetts. Three Members were present: Chairman Marc N. Hanover of Dukes County; Elizabeth H. Gladfelter of Falmouth; and Robert F. Ranney of Nantucket. Secretary John A. Tierney of New Bedford and Robert L. O'Brien of Barnstable were not present.

Port Council Vice Chairman Robert V. Huss of Oak Bluffs and Port Council Secretary 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 Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark K. Rozum; Port Captain Charles G. Gifford; Director of Engineering and Maintenance Carl R. Walker; Director of Security Lawrence S. Ferreira; Assistant Port Captain Charles M. Monteiro; Vineyard Haven Terminal Manager Richard S. Clark; Oak Bluffs Terminal Manager Bridget Tobin; Woods Hole Agent Sean O'Donnell; Facilities Engineer William J. Cloutier; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Leon Brathwaite, Chair of the Dukes County Commission, welcomed the audience to the meeting and recounted how, at a Dukes County Commission meeting several months ago when Mr. Hanover was providing one of his periodic reports about the Authority, Dukes County Commissioner Leonard Jason had suggested that Mr. Hanover and the Authority host a community-wide meeting on Martha's Vineyard with a presentation on the proposed Woods Hole terminal reconstruction project and a question-and-answer session.

Mr. Hanover then introduced the other Members and the Port Council members who were present that night, as well as public officials who were in the audience, including Dukes County Commissioner and Tisbury Selectman Tristan Israel and former Dukes County Authority Member J. B. Riggs Parker. After Mr. Hanover informed the audience that the Authority would be giving a presentation that night on the proposed Woods Hole terminal reconstruction

project, he stated that there would then be a question-and-answer session about the project and, after that, about any general topics which anyone in the audience wished to raise.

Mr. Lamson introduced the Authority's management staff employees who were in the audience that night and recounted how, more than two years ago, the Authority had started the process for a feasibility study for the Woods Hole terminal reconstruction project when the State Designer Selection Board appointed Bertaux + Iwerks Architects, LLC, to conduct the study. Mr. Lamson then introduced Chris Iwerks of Bertaux + Iwerks and Ted Bell of Moffatt & Nichol, which was the marine engineering firm on the design team for the feasibility study.

Woods Hole Terminal Reconstruction Project:

Mr. Sayers then gave a 40-minute presentation on the Authority's plans regarding the Woods Hole terminal reconstruction project and the relocation of its General Offices, including information about the need for the project and aspects of the consensus solution design concept as set forth in the feasibility study report for the project that the Members approved in December 2014. After a 20-minute question and answer session regarding the consensus solution design concept, Mr. Sayers continued for another 20 minutes with the remaining subjects of the presentation, which included the project's conceptual estimated cost and the Authority's ability to pay for it, and how the project would affect the Authority's fares.

During the course of the presentation, Mr. Sayers noted that the Authority had posted a meeting information packet on its website for the public to review in advance of the meeting, and had posted the feasibility study report for the project on its website as well.

Public Comment:

After Mr. Sayers' presentation, Messrs. Hanover, Ranney, Lamson and Sayers responded to questions from the audience about a number of different topics, but those topics generally pertained to matters that already had been decided by the Authority and the responses given by Messrs. Hanover, Ranney, Lamson and Sayers were to provide information to the public about those prior decisions, not to deliberate on any matters then pending before the Authority

that were within the Authority's jurisdiction. The comments and questions from the public, and the responses from Messrs. Hanover, Ranney, Lamson and Sayers, included:

- A member of the audience expressed concerns about the Authority employees at the airport, recounting how it is absolutely freezing there when the baggage area is open. The individual also stated that she did not want the Authority to reduce the number of those employees, as they are essential to keeping the Authority operating. Mr. Hanover stated that, although it cost the Authority around \$300,000 to maintain its Reservations Office on Martha's Vineyard, the Authority had decided to do so, and perhaps at some point in the future there might be a better location for that office, such as at the Authority's Vineyard Haven terminal.
- Mr. Israel observed that the Authority's construction of the *M/V Woods Hole* and its reconstruction of the Woods Hole terminal were coming upon the public all at once, and he stated that, while the Authority had done very detailed capital planning, future fare increases were inevitable and they would be a huge hit for the public to take all at once. Mr. Israel also noted that the Authority will have to move employees out of its current General Offices, and he asked the Authority to consider moving some of those jobs to Martha's Vineyard, saying that getting some of the economic benefit of the new terminal would help the island community. Mr. Hanover stated that he agreed with Mr. Israel, but noted that it is already difficult for the Authority to find people on the island to work for the Authority.
- A member of the audience stated that she did not believe that it was reasonable to have to have ten appointments scheduled in order to obtain a discounted fare for medical-related travel, and she asked if anything could be done to change that. In response, Mr. Hanover asked her to provide him with her information and said that he would contact Reservations and Community Relations Manager Gina Barboza to see whether, based upon the woman's travel schedule, she qualified for the discounted fare.
- Another member of the audience also asked the Authority to consider transferring the Mashpee Reservations Office to Martha's Vineyard, saying that people on the island need to be employed year-round. In response, Mr. Hanover announced that people should contact Mr. Parent if they want to work for the Authority or if they know anyone else who does.

- In response to a question from a member in the audience, Mr. Sayers stated that the increases in the Authority's parking rates over the past few years were not so much due to the cost of the improvements being made at the Palmer Avenue parking lot and the construction of the new consolidated parking lot on Thomas B. Landers Road, but rather due to adjustments to bring the rates more in line with what others in the area were charging for parking.
- In response to a question from the audience regarding whether the Authority would provide its port communities with any monetary compensation for the impacts of its operations, Mr. Sayers noted that the Massachusetts Legislature already enacted such a mechanism in 2003 when it passed the statute requiring the Authority to collect passenger embarkation fees which ultimately are paid to the Authority's port communities. Mr. Sayers also noted that, while the Authority is not expecting increased traffic levels on the Martha's Vineyard route, it could still accommodate a significant increase in traffic with its current two operating slips. Indeed, Mr. Sayers said, based upon the current availability of the two slips, the Authority could increase the amount of its service by at least fifty percent. Thus, Mr. Sayers observed that the real limitation to the amount of service provided by the Authority was the number of vessels it has operating at any given time.
- Two members of the audience suggested that the Authority investigate whether it could collect tickets only at its terminals on Martha's Vineyard so that it could eliminate the need for ticket sellers and collectors at the Woods Hole terminal. In response, Mr. Sayers stated that the staff would look into that possibility.
- A member of the audience asked why the *M/V Woods Hole* was not going to be a double-ended vessel as requested by the Vineyard Haven Harbor community. In response, Messrs. Hanover and Ranney stated that it had been a joint decision, and Mr. Hanover explained how the new vessel would be operating on both the Martha's Vineyard route and the Nantucket route, and that a double-ended vessel is not as seaworthy, particularly for the Nantucket route, because it is not as stable, it cannot carry as much weight, and it doesn't handle as well in rough seas, which would result in more trip cancellations. Mr. Hanover also noted that, because the new vessel will operate on both routes, only a portion of its cost will be allocated to the Martha's Vineyard route instead of all of its cost.

- Tisbury resident Marie Laursen observed that a lot of people on Martha's Vineyard do not know that they can pick up the phone and call someone at the Authority, and she thanked the Authority for all of the changes that have been made the past few years, such as implementing a policy for customers needing medical care and communicating with customers when there are trip cancellations. Ms. Laursen declared that the communications have improved, and she acknowledged the Authority's work.
- In response to a question from Ms. Laursen, Mr. Lamson stated that the Authority's vessel fuel expense for the month of January 2015 had been around \$200,000 lower than what had been budgeted. Ms. Laursen then asked if the Authority could give those savings back to the public, saying that the recent rate increases directly affected both people who live on the island and their family members who visit them, although she said that she knew the Authority has a lot of different ways to spend the money. Ms. Laursen also stated that the manner in which the Authority had responded to the online petition asking for a rescission of the rate increase was hurtful, but she declared that the Authority was still doing a good job and that the entire island depends upon it.
- Mr. Lamson noted that there have been a number of unexpected expenses since last October when the Authority approved its 2015 operating budget, including repairs to the Oak Bluffs dock and the dolphins at the Vineyard Haven terminal, and, as a result, the Authority's savings in fuel costs are going toward the payment for those repairs that have to be made before the summer. Mr. Lamson also noted that most of the savings in the Authority's fuel costs would be allocated to the Nantucket route because that route consumes more fuel than the Martha's Vineyard route and that, in any event, the savings are still not going to cover all of the repairs the Authority has to make. Mr. Lamson further stated that the Authority's management are the last people who want to increase rates, but that he had made a recommendation to the Members and the Members had agreed with both his recommendation and the reasoning behind it.
- Mr. Lamson also noted that the Authority already had taken steps to lock in lower prices for vessel fuel oil it will be buying in 2016 so that, if the market prices do go back up, the Authority will not be faced with an immediate increase in its fuel expense.

- Ms. Laursen then asked what the Authority has done to improve communications, declaring that it had done a wonderful job in advertising this meeting, and also asked if the Authority had improved its wifi service on the boats and was making its meeting minutes available on line. In response, Mr. Lamson stated that the Authority was continuing to work on its wifi service and is receiving constant feedback about how much it has been improved. Mr. Lamson also asked those people who are still having problems with the Authority's wifi service to provide feedback to the Authority on its website. Ms. Laursen agreed, saying that people had told her that they have used the Authority's website to provide comments or a complaint and have received responses from the Authority.
- In response to a question from a member of the audience, Mr. Ranney stated that, on the Nantucket route this year, the one-way passenger fare had increased by one dollar and the excursion rate had increased by five dollars.
- In response to questions from several audience members, Mr. Hanover stated that he could assure them there will not be a fare increase next year and, while he stated that the Authority was not planning to construct yet another vessel in 2018 (as someone said had been reported in the newspaper), he noted that a vessel's life expectancy is around 50 years and, given that the Authority has nine vessels, on average the Authority will need to replace a vessel every five or six years.
- In response to a question from a member of the audience, Mr. Sayers stated that he would look into the question of whether the fares paid by customers to commute to work can be deducted from their state income taxes.
- In response to questions from members of the audience, Mr. Israel stated that the traffic circulation improvements that the Authority is going to be making at the Vineyard Haven terminal had been suggested by the Tisbury Traffic Committee which had been established by the Tisbury Board of Selectmen to see if some modest short-term solutions could be accomplished. Mr. Israel stated that the Authority worked with the committee and attended a public meeting on the subject earlier that month, and that the changes are going to help a lot. Although Mr. Israel stated that he did not oppose people with other points of view from weighing in on some of the details, he certainly hoped that the Authority will make the proposed improvements, including making more room for picking up and dropping off passengers, constructing an additional

check-in booth, pushing both booths farther into the terminal so that traffic does not back up onto the street, and removing the shelter which he had been trying for years to get removed.

- In response to a question from a member of the audience, Mr. Sayers stated that, during the summer season, one of the Authority's freight boats (the double-ended *M/V Governor*) goes to Vineyard Haven and the other freight boat goes to Oak Bluffs, except for its early morning and late night trips when the Oak Bluffs terminal is not open.
- Another member of the audience asked the Authority to postpone any change to the shelter at the Vineyard Haven terminal, observing that the Authority was removing four parking spaces there and replacing them with a through way. The individual stated that, as a result, taxis would be ticketed for dropping off their passengers on a through way. The individual further stated that the Authority's removal of the shelter would affect the health and convenience of the traveling public, and that the project was one that needs to be decided by the entire island, not just the Town of Tisbury. In response, Mr. Hanover stated that he understood the individual's concerns, but he asked the individual to talk to the Tisbury Board of Selectmen who had asked the Authority to make the improvements.
- Ms. Laursen then asked the Authority to form a committee of likeminded folks in tandem with the Woods Hole Community Task Force to move forward with the Authority on the design of the Woods Hole terminal, saying that she would love to be on it. In response to her question about how the Woods Hole group had been formed, Mr. Sayers stated that they consisted of the leaders of the Woods Hole community, namely, the Co-Presidents of the Woods Hole Community Association and the President and Vice President of the Woods Hole Business Association. By contrast, Mr. Sayers said, there is no single community on the island that has proprietary interest in Woods Hole, and suggested that it might be appropriate for Mr. Hanover to discuss who might be on such a committee with the Dukes County Commissioners.
- Woods Hole Community Association Co-President Catherine Bumpus then stated that she has spent a lot of time working on this project, and that Woods Hole and island residents have shared concerns about their communities' carrying capacity and how much more volume they can handle. Ms. Bumpus also recounted how the Woods Hole Community Task Force had disagreed with parts of the initial design concepts for the Woods Hole terminal and had discussed them with the Authority in what

turned out to be a very productive conversation. Ms. Bumpus then encouraged island residents to show up at the Authority's meetings and to keep talking to the Authority's management, saying that they do listen and that everything works better when there is public input.

At approximately 8:35 p.m., Mr. Brathwaite thanked the Authority and everyone in the audience for attending the meeting that night. Mr. Brathwaite also suggested that it might be helpful if the Authority were to hold another meeting like this sometime in the near future, although he stated that he would let Mr. Hanover be the judge of when that should be.

A TRUE RECORD



JOHN A. TIERNEY, Secretary

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

The Meeting in Public Session

March 17, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of March, 2015, beginning at 9:30 a.m., in Rooms 104 and 105 of the Marine Biological Laboratory's Candle House, located at 127 Water Street, Woods Hole, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County; Secretary John A. Tierney of New Bedford (who participated remotely by telephone conference call); Elizabeth H. Gladfelter of Falmouth; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable and Port Council Secretary 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 K. Rozum; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Facilities Engineer William J. Cloutier; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. Tierney's Remote Participation in the Meeting:

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

Thomas Lee:

The Members then observed a moment of silence in memory of Hyannis Terminal Agent Thomas Lee, who passed away earlier this year. Mr. Lamson recounted how Mr. Lee had joined the Authority in 1981 after careers with the Massachusetts State Police and the United States Secret Service during the Nixon administration, and how he had served as the Authority's Hyannis Terminal Manager for a time. Mr. Lamson observed that Mr. Lee was a well-respected employee who will be remembered as a nice quiet guy and a hard worker, and he stated that everyone's thoughts and prayers were with his family and friends.

Mr. Hanover recognized Falmouth Town Manager Julian M. Suso in the audience that day.

Election of Vice Chairman:

Mr. Hanover then recounted how the Authority's enabling act provides for the Authority's chairmanship to rotate among its five Members each year. Noting that he, as the Authority's Dukes County Member, is Chairman during 2015, Mr. Hanover observed that Ms. Gladfelter, as the Authority's Falmouth Member, will be the Authority's Chairman in 2016.

Mr. Hanover also noted that the Authority's enabling act requires the Members to elect one of themselves to be the Authority's Vice Chairman and another Member to be Secretary. Noting that the Members already have elected Mr. Tierney to be the Authority's Secretary for this year, Mr. Hanover then entertained a motion to elect Ms. Gladfelter to be the Authority's Vice Chairman for this year.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Tierney -- to elect Elizabeth H. Gladfelter to serve as the Authority's Vice Chairman for the year 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Ms. Gladfelter abstained from voting on her election as Vice Chairman.

Minutes:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Tierney -- to approve the corrected minutes of the Members' meeting in public session on January 20, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Mr. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Ms. Gladfelter abstained from voting on the minutes of the Members' January 20, 2015 meeting in public session.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for January 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 0.6%), fewer automobiles (down 2.4%) and fewer trucks (down 2.0%) during the month than it had carried during the same month in 2014, noting that during the month the Authority had cancelled 66 trips on the Martha's Vineyard route and 28 trips on the

Nantucket route due to the weather, compared to the 48 and 26 trips on those respective routes that had been cancelled due to the weather in January 2014. Mr. Lamson also reported that the Authority's operating revenues and other income were \$35,000 lower in January 2015 than projected, and that its operating expenses and fixed charges were \$506,000 lower than budgeted, but that most of the decreases in expenses were due to timing differences of some vessel and maintenance expenses, as well as lower fuel oil expense. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$2,790,000, approximately \$471,000 lower than projected.

Mr. Lamson also noted that the Authority's fuel expense in January 2015 had been \$209,000 lower than projected, and he recounted how he previously had observed that the Authority might see a savings of more than \$2,600,000 in fuel costs this year from the amount originally projected, depending upon what the price of oil is for the remainder of the year. However, Mr. Lamson stated that all of those savings will be used to offset some of additional maintenance costs the Authority was incurring this spring, including the dolphin repairs at the Vineyard Haven terminal, the dock repairs at the Oak Bluffs terminal, and higher dry-dock expenses for both the *M/V Katama* and the *M/V Island Home*, that had not been anticipated when the 2015 Operating Budget had been prepared. Mr. Lamson noted that those additional costs, along with other work being performed in 2015 that the staff had hoped to have finished in 2014, were expected to add more than \$1,600,000 to the maintenance expenses that the Authority already had budgeted for the year.

Thus, Mr. Lamson reported that, although the Martha's Vineyard route might realize more than \$1,000,000 in fuel cost savings this year, the Authority will be spending at least \$1,600,000 more in maintenance expenses for that route than the amount that had been projected in the 2015 Operating Budget. Mr. Lamson also noted that those additional maintenance costs will start to be reflected in the Authority's financial statements over the next several months.

In response to a question from Mr. Hanover, Mr. Davis stated that the Authority's fast ferry between Hyannis and Nantucket had seen a 293% increase in ridership in January 2015 compared to the same month in 2014 because it had remained in service for the first four days of the month in 2015 compared to being in service only one day in January 2014.

Construction of the *M/V Woods Hole*:

Mr. Lamson reported that, earlier this month, Conrad Shipyard had begun welding plates that will form the freight deck of the *M/V Woods Hole* and that the main deck is the first of eleven modules that will be built at two different yards over the next thirteen months. Mr. Lamson noted that, after the freight deck module is completed, the side shell, bottom shell and the internal structure of the hull will be added. Mr. Lamson further reported that the hull was being constructed upside down in a building and that, once the hull is completed, it will be launched upside down and then flipped to add the bottom half of the superstructure, and that the other modules will then be added at Conrad's other yard down river from its Morgan City facility.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that work on the Authority's new consolidated parking lot on Thomas B. Landers Road had been somewhat delayed over the past two months due to harsh winter weather conditions. Mr. Lamson stated that, as a result, the contractual completion date for the construction contract had been extended by 22 days to late June 2015, although the contractor, Lawrence Lynch Corp., was still attempting to complete the project by the Memorial Day weekend. In the event the Authority cannot use the parking lot by then, Mr. Lamson said, it will still be able to use the same off-site parking lots that the Authority has used in the past until the new parking lot is completed. Mr. Lamson also reported that the foundation for the parking lot's modular building was being completed that week, and that the facility will have a modular building similar to what was then being erected at the Authority's Palmer Avenue parking lot.

Woods Hole Terminal Reconstruction Feasibility Study:

Mr. Sayers reported that the Authority had held a public information meeting on Martha's Vineyard the prior week to present the Authority's plans regarding the Woods Hole terminal reconstruction project and the relocation of the Authority's General Offices, as described in the feasibility study report that the Members had approved in December 2014. Meanwhile, Mr. Sayers said, the Authority's design contract with Bertaux + Iwerks Architects, LLC ("B+I"), was still being finalized due to the fact that Moffatt & Nichol, which had been the marine engineering firm for the feasibility study, was no longer going to be

a member of the design team. Mr. Sayers reported that the two other marine engineering firms that the Authority originally had pre-qualified for the project, Childs Engineering Corporation and Fay, Spofford & Thorndike, Inc., as well as another member of B+I's design team, GZA GeoEnvironmental, Inc., would be submitting proposals next week to perform those marine engineering services as a subcontractor for B+I. Accordingly, Mr. Sayers said, the staff planned on being able to finalize B+I's design contract in time for it to be considered by the Port Council and the Members next month.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Lamson reported that Cape Building Systems, Inc., the contractor for the Authority's new modular building at its Fairhaven Vessel Maintenance Facility, had begun erecting the building and that the project was still expected to be completed this summer.

Palmer Avenue Parking Lot Improvements:

Mr. Lamson then reported that Vanguard Modular Building Systems, the contractor for the Authority's new modular building at its Palmer Avenue parking lot, had poured a new foundation for the building after the original foundation had cracked, and had already erected the building. Mr. Lamson noted that the building's roof also had been shingled, that the interior was pretty much complete, and that the entire project was expected to be completed by the middle of May 2015.

In response to several questions from Tisbury resident Marie Laursen, Mr. Lamson stated that the Authority will be providing ten to fifteen parking spaces to the car rental agency that will be renting space in the new building and that customers of the car rental agency will be able to both pick up and drop off rental cars at that location. Mr. Lamson also stated that the Authority believes this will be a huge benefit to island residents who will be able to take shuttle buses between the Woods Hole terminal and Palmer Avenue in order to rent cars there, similar to how Nantucket residents are already able to rent cars at the Authority's Hyannis terminal. Mr. Lamson further noted that the Authority would not lose much revenue from providing those spaces to the car rental agency, as the parking lot is full only on weekends during the summer,

and Mr. Hanover observed that the Authority will also receive rent from the car rental agency for using the Authority's property.

Nantucket Park and Ride Fast Ferry Connector Shuttle Bus Service:

Mr. Lamson then asked the Members to approve the expenditure of \$36,421.89 to partially fund another year's operation of the Nantucket Regional Transit Authority's "Fast Ferry Connector" Park and Ride Shuttle Bus Service from May 21st through October 12th of this year. Mr. Lamson noted that this amount was less than the \$50,000 the Authority had contributed last year because the cost of the service had turned out to be less than expected and the Nantucket Regional Transit Authority had some money left over. Mr. Lamson also noted that Hy-Line and other downtown businesses were also contributing towards this year's service in similar proportions to what they had contributed last year, and that the service's hours of operation were being extended so that the shuttle buses will be able to pick up and drop off passengers traveling on late night ferries.

Mr. Lamson further stated that, if approved, the Authority's contribution would be provided with no obligation to partially fund the service beyond this calendar year. In this regard, Mr. Lamson stated that he believed regular transit service should be provided for the Authority's Nantucket terminal and that, if this service were continued for another year, the Nantucket Regional Transit Authority might thereafter operate the service as a regular route in the same manner as it operates a regular route for the Nantucket airport.

Mr. Jones stated that, earlier this month, the Port Council members had agreed that, financially, the service currently makes no sense because of the low level of ridership. Indeed, Mr. Jones observed, last year the service spent \$197,426 to carry only 6,015 passengers, which translated to a cost of \$32.87 per passenger, which was greater than it would have cost for them to take taxis back and forth to the parking lot. Mr. Jones also expressed his concern that other communities, such as Tisbury and Oak Bluffs, are asking the Authority to help fund their park and ride services, and he noted that even the Town of Barnstable might be asking for a similar contribution. Mr. Jones observed that the Authority will not be able to keep its fares low by increasing costs.

In response to a question from Ms. Gladfelter, Mr. Ranney stated that the shuttle bus service was free for its riders because the Town of Nantucket was attempting to encourage contractors who were leaving their vehicles downtown to park instead in the off-site parking lot. Mr. Ranney also agreed that the

service needed to be improved, although he stated that the Town had to do something and this was a way to start. Ms. Gladfelter agreed that the service was a good idea and asked if anything was being done to advertise it on the island, observing that very few of the passengers were Nantucket residents. In response, Mr. Ranney stated that the service would be advertised more this year, and that he felt the biggest reason for the low ridership was that it takes a long time for people to get used to change.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve a one-time contribution of \$36,421.89 toward the cost of operating the Nantucket Regional Transit Authority's proposed Fast Ferry Connector Park and Ride Shuttle Service for 2015, provided that there is no obligation or expectation whatsoever for the Authority to partially fund this shuttle bus service beyond this calendar year, as recommended by management in Staff Summary #GM-652, dated March 11, 2015.

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

Oak Bluffs Park and Ride Shuttle Bus Service:

Mr. Lamson then asked the Members to approve an expenditure of \$10,000 to partially fund the first-year operation of a pilot Park and Ride Program for the Town of Oak Bluffs that will provide shuttle bus service between Ocean Park and a new municipal parking lot off of School Street from June 20th to September 1st of this year. Mr. Lamson stated that the shuttle bus service, which is anticipated to cost more than \$39,000, will be provided by the Martha's Vineyard Regional Transit Authority, which expects to receive state funding for 70% of that cost. Mr. Lamson noted that, although the Oak Bluffs Board of Selectmen had not yet voted on the service, they were supporting a split schedule pursuant to which the service would operate daily between 7:00 a.m. and 11:00 a.m. and then again between 3:00 p.m. and 7:00

p.m. Mr. Lamson stated that, outside of those hours, the shuttle service will be supplemented by other bus routes that run near the parking lot.

Mr. Lamson also noted that he would like the Town to get contributions towards the cost of the service from others who are likely to benefit from it, and that operating the service this year should provide some data about who is using the service. For example, Mr. Lamson said, if employees of downtown businesses use the service, then those businesses should also contribute towards the cost of the service. Similarly, if contractors who travel on Patriot Party Boats use the service (assuming that the Town prohibits them from parking on the waterfront overnight), then Patriot Party Boats also should contribute. In this regard, Mr. Lamson observed that the service will be operating in the morning from 7:00 a.m. to 11:00 a.m., while the Authority's first departure from Oak Bluffs is at 10:45 a.m.

Mr. Jones reported that the Port Council members had raised a concern that the Town of Oak Bluffs was asking only the Authority to contribute towards the cost of the service even though other businesses, including other ferry operators in the harbor, would be benefiting from it. Mr. Hanover agreed, and observed that the service easily can be modified so that the shuttle bus runs to all of the other ferry operators' properties as well.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve a one-time contribution of \$10,000 toward the Martha's Vineyard Regional Transit Authority's cost of operating the proposed Oak Bluffs Park and Ride Shuttle Service from June 20 through September 1, 2015, as recommended by management in Staff Summary #GM-653, dated March 12, 2015.

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

Parental Leave Policy:

Mr. Sayers then asked the Members to adopt a new Parental Leave Policy for the Authority's employees, effective April 7, 2015, to replace the Authority's current Maternity/Paternity Leave Policy. Mr. Sayers stated that the Authority needs to replace its current policy to comply with the requirements of a new statute that was enacted earlier this year, entitled "An Act Relative to Parental Leave." Mr. Sayers also stated that, if adopted by the Members, the staff's proposed new policy would continue to provide more parental leave than the law requires (12 weeks of unpaid leave instead of eight weeks) and would also continue to provide employees with their medical coverage during their leave (subject to their obligation to pay 20% of the cost of the coverage) even though the law does not require the Authority to do so.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the management staff's proposed Parental Leave Policy, effective April 7, 2015, to replace the Authority's current Maternity/Paternity Leave Policy, in the form attached to Staff Summary #HR-15-44, dated March 6, 2015.

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

2014 Operating Results (Unaudited):

Mr. Davis reviewed with the Members the Authority's results for the year ended December 31, 2014, observing that even though the final report of the Authority's independent accountants is not yet completed, it appeared that the Authority will end 2014 with a net operating income of around \$7,733,000, which was \$4,641,000 higher than projected in the Authority's 2014 Operating Budget. Mr. Davis noted that this difference was primarily due to higher revenues than expected as a result of higher traffic levels than projected.

Approval of Managers for the
Authority's Alcoholic Beverages Licenses:

Mr. Davis then asked the Members to approve the appointment of the employees of the Authority's food concessionaire, Centerplate, identified in Staff Summary #A-581, dated March 12, 2015, as managers of the Authority's alcoholic beverages licenses for the vessels listed in that staff summary, noting that the Alcoholic Beverages Control Commission's regulations requires the Authority, as holder of those licenses, to formally approve those appointments. Mr. Davis also noted that, in the absence of an employee who is appointed as a manger under a vessel's alcoholic beverages license, Centerplate staffs each of those vessels with qualified Assistant Managers. In response to a question from Mr. Hanover, Mr. Davis stated that, pursuant to the Authority's food concession contract, the Authority maintains liquor liability insurance for Centerplate's alcoholic beverages service on the Authority's vessels (because the Authority is the alcoholic beverages license holder), and Centerplate reimburses the Authority for the premiums paid for that insurance.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to approve the appointment of the following individuals to be the managers of the Authority's alcoholic beverages licenses on the following vessels:

<u>Vessel</u>	<u>License No.</u>	<u>Manager</u>
M/V Nantucket	SS-2	Lisa Markley
M/V Island Home	SS-217	Lori Oberlander
M/V Eagle	SS-218	Cheryl Defibaugh
M/V Martha's Vineyard	SS-219	Geoffrey Lumsden
M/V Iyanough	SS-220	Christopher Ball

as recommended by management in Staff Summary #A-581, dated March 12, 2015.

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

Competitive Sale of Steamship Bonds:

Mr. Davis recounted how, at their December 2014 meeting, the Members had adopted a Bond Resolution authorizing him to issue and sell on a competitive basis, not later than January 26, 2015, up to \$38,250,000 of Steamship Bonds in order to fund the construction of the *M/V Woods Hole*. However, Mr. Davis reported that he has still been unable to issue the bonds because the Commonwealth of Massachusetts, which backs the Authority's bonds, has not provided a certification of its financial condition that the Authority needs to include in its Official Statement. Mr. Davis stated that, because the Commonwealth is scheduled to issue its own bonds by the end of the month, he expects that the Authority will receive the certification by that time. Accordingly, Mr. Davis asked the Members to extend the time within which he can issue the Steamship Bonds pursuant to the Bond Resolution to June 30, 2015.

West Tisbury resident Thomas Hodgson stated that, while he recognized it was his own cheap Yankee philosophy, he hoped that in the future the Authority could move to an ideal position of saving up money for projects instead of borrowing money. Mr. Hodgson acknowledged that any organization needs to borrow money to acquire assets, but he stated that those acquisitions were going to push the Authority toward the limit of its borrowing capacity. Mr. Hodgson also expressed his concern that private investment firms acquire and sell the Authority's bonds at great profits for themselves and considerable cost to the Authority's constituency. Mr. Hodgson therefore asked why the Authority could not sell its bonds in smaller denominations so that they can be sold to individuals in this area, observing that it would result in better public relations for the Authority because there would be larger numbers of people who would be invested in it.

However, Mr. Balco observed that the Authority's bonds are competitively bid and that, as a result, there is not much money being made on them by the investment firm which ends up paying the Authority the best price for them. Mr. Balco also noted that, because the bonds are tax exempt, they usually end up being acquired by more wealthy individuals with higher tax rates. Finally, while Mr. Balco said the Authority could save its money to pay for a vessel, issuing bonds allows it to obtain the vessel right now and pay for it over time instead of waiting many years before acquiring it.

Nevertheless, Ms. Lauren observed that selling bonds to people who use the ferry service would provide those people with the feeling that they have made an investment in the Authority, and she noted that the return on the bonds is guaranteed. In response, Mr. Hanover stated that the Authority

would find out whether it can change the way it issues bonds so that members of the traveling public can buy them.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to extend the time within which the Treasurer is authorized, on behalf of the Authority, to issue and sell on a competitive basis pursuant to an Official Notice of Sale and at a price not less than par and accrued interest, up to \$38,250,000 of Steamship Bonds, in the form prepared by the Authority's bond counsel, Edwards Wildman Palmer LLP, as recommended by management in Staff Summary #A-579, dated December 5, 2014, from January 26, 2015 to June 30, 2015.

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

Change Order for Geotechnical Borings for the
Woods Hole Terminal Reconstruction Feasibility Study:

Mr. Lamson then asked the Members for authorization of a change order to the Authority's contract with Bertaux + Iwerks, Architects, LLC ("B+I") for the feasibility study of the Woods Hole terminal reconstruction project, in the amount of \$337,745, in order to obtain subsurface information in the vicinity of the project's proposed marine and landside structures. Mr. Lamson stated that he was requesting approval of the change order so that the borings can be completed before the start of the summer schedule. Mr. Lamson also stated that the information would be used to develop recommendation for the types of foundations for the structures and to provide parameters that will be used by the project's marine and structural engineers.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute a change order to the Authority's contract with Bertaux + Iwerks Architects, LLC, for the feasibility study of the Woods Hole terminal reconstruction project, in the amount of \$337,745, for the purposes described and as recommended by management in Staff Summary #L-443, dated March 12, 2015.

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

Vineyard Haven Terminal Traffic Circulation Project:

Mr. Lamson then asked the Members for authorization to award Contract No. 08-2015 to complete certain traffic improvements at the Authority's Vineyard Haven terminal that had been requested by the Tisbury Traffic Planning Committee after bids for the contract are opened on March 27, 2015. Mr. Lamson stated that the improvements will include the addition of a second check-in booth, which will be manned during high traffic times to increase the number of vehicles that can be processed and reduce traffic backups on Water Street from vehicles waiting to enter the terminal, the elimination of four parking spaces on Water Street that are on Authority property that will be replaced by a sidewalk, the shifting of the southern half of the Authority's drop-off and pick-up spaces closer to Water Street to make room for a second drive-through lane between the two series of pick-up and drop-off parking spaces there, and the removal of the passenger canopy at that location. Mr. Lamson stated that he was requesting authorization to award the contract, which may cost close to \$200,000 (including the cost of design and engineering), so that work on the improvements can begin in early April and be completed by the Memorial Day weekend. Mr. Lamson also stated that the staff had made a presentation of the proposed improvements to the Tisbury Board of Selectmen, who were in favor of the project.

Mr. Hodgson observed that the improvements would also result in the Authority's employee parking spaces being moved three feet closer to the Black Dog property, and he asked the Authority to make certain that provisions are included in its contract to protect the roots of the Bradford pear trees that are located there. In response, Mr. Hanover stated that one of those trees will need to be removed, but that the Authority would check on what provisions were in the contract to protect the other trees.

Ms. Laursen then stated that she often has stood under the passenger canopy that the Authority will be removing while waiting to be picked up at the terminal, and she asked the Authority to install a Plexiglas bus shelter there, saying that it would be nice to have at least a small shelter to protect people from the sun and rain. But Mr. Lamson recounted how the Authority had discussed this issue with the Tisbury Traffic Planning Committee and the decision was made not to have any shelter there. Mr. Lamson stated that the pick-up and drop-off spaces are close to the southeast corner of the terminal building, which has an outdoor covered area. In addition, Mr. Lamson said, there are other pick-up and drop-off spaces on the southwest corner of the building, which also has an outdoor covered area. Mr. Lamson noted that building such a shelter would also take more time because of the need to meet hurricane-resistance requirements, and he stated that the Authority thought it would be better to complete all of its improvements before the Memorial Day weekend and then see what additional improvements should be made in the future.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No. 08-2015 for the Vineyard Haven Traffic Circulation Project to the lowest eligible and responsible bidder for the contract when bids for the contract are opened on March 27, 2015, as recommended by management in Staff Summary #E 2015-1, dated March 12, 2015.

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

Purchase of One CNG-Powered Shuttle Bus:

Mr. Lamson then asked the Members to award a contract to purchase one compressed natural gas (CNG) powered Aero Elite 290 shuttle bus from Alliance Bus Group of Hudson, New Hampshire, for a total price of \$120,419, in accordance with a state contract. Mr. Lamson stated that the bus, which will have 15 seats and two wheel chair spaces, will be used for transporting customers between the Hyannis terminal and the Authority's three Hyannis off-site parking lots. Mr. Lamson also stated that the Authority had applied for a grant to cover up to \$25,000 of the cost of converting the bus to CNG, but did not yet know whether it will be awarded the grant.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to purchase one CNG-powered shuttle bus with wheelchair lift from Alliance Bus Group of Hudson, New Hampshire for a total contract price of \$120,419.00, under the terms and conditions of HGACBuy contract BT01-14, as recommended by management in Staff Summary #TPF-2015-2, dated March 12, 2015.

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

In response to a question from Mr. Hanover, Mr. Rozum stated that he had talked with the Commonwealth of Massachusetts' Department of Energy Resources ("DER") about the Authority's financial concerns regarding the DER's previous request for proposals for a grant for three battery-powered electric buses that are recharged via wireless inductive charging and that, as a result of those discussions the DER will soon be issuing another request for proposals for the grant.

Purchase of Two 36-Passenger Transit Buses:

Mr. Lamson reported that, pursuant to the authorization the Members had given him in January 2015, he had awarded Contract No. 04-2015 for two 36-passenger heavy-duty transit buses with wheelchair lifts to the lowest responsible and eligible bidder for the contract, Dattco, Inc. of New Britain, Connecticut, for a total contract price of \$247,830. Mr. Lamson also noted that the cost estimate for the buses, which will be used to transport customers between the Woods Hole terminal and the Authority's off-site parking lots in Falmouth, had been \$318,000.

Port Council's Report:

Mr. Jones reported that, while the Port Council did not have a quorum at their meeting earlier in the month, they still discussed all of the items on their agenda without taking any action.

The Town of Tisbury's Request to Undertake a Study to Relocate the Authority's Vineyard Haven Terminal:

Mr. Lamson reported that he had received a letter from the Town of Tisbury asking the Authority to undertake a study to investigate the potential of relocating all or a portion of the Authority's Vineyard Haven terminal outside of downtown Vineyard Haven to improve operations and mitigate operational impacts. Mr. Lamson stated that he understood such a study had been undertaken 20 years ago, and he presented the Members with a drawing that had been prepared by the Martha's Vineyard Commission showing that the terminal could be relocated down Beach Road next to the Lagoon Pond Bridge by filling in four acres of the harbor there. Accordingly, Mr. Lamson stated that, unless the Members felt otherwise, he would ask to meet with the appropriate Town officials to review that study and any other studies that have been conducted and discuss whether it would be useful to investigate any of these alternatives.

The Members agreed, and Mr. Hanover noted that the proposed location for the new terminal was also in a velocity flood zone and, therefore, that the terminal would need to be nine feet above mean low water and the breakwater would also need to be extended. After Mr. Hodgson observed that it could easily cost anywhere from \$500,000,000 to \$1,000,000,000 to construct the

facility there, the Members also asked Mr. Lamson to find out what the Town of Tisbury thinks the project would cost and who should pay for it.

Public Comment:

In response to a question from a member of the public, Mr. Sayers stated that there were no plans for the new Woods Hole terminal building to be a modular building (although he noted that nothing had yet been decided), but that the temporary terminal building probably would be one. Another member of the public cautioned the Authority about such temporary units, saying that they have been built of particle board and that Authority has to be certain that the interior air quality is not compromised.

Another member of the public noted that many commuters to Martha's Vineyard park their cars around Woods Hole village, and he asked whether they instead could be allowed to park in the Authority's back parking lot that it leases from the Town of Falmouth. In response, Mr. Hanover stated that the Authority would look into that. In response to another question from the same individual, Mr. Hanover also stated that New Bedford was not completely off the table in terms of freight traffic to and from Martha's Vineyard, that he thought barging certain freight made sense, and that the Authority was working with the Towns of Oak Bluffs and Tisbury, as well as New Bedford itself, on that issue. The individual stated that he lives on Woods Hole Road and that, because the freight trucks are now beginning to drive down that road at 4:30 in the morning, it was becoming more of an issue.

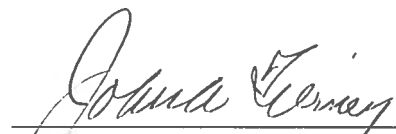
Another member of the public, who said that she lives on Buzzards Bay Avenue in Woods Hole, stated that the huge trucks traveling on the Authority's ferries carry hazardous materials and go quite fast, that she was scared about what might happen with all of the distractions drivers have, and that she encouraged the Authority to keep on this issue of transporting freight from New Bedford, observing that it would make a huge difference in the quality of life and safety of the Woods Hole community.

At approximately 10:52 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the potential acquisition of additional property in Falmouth, and he announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating positions. Mr. Hanover also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and further 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 consider the purchase, exchange, lease or value of real property.

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

A TRUE RECORD



JOHN A. TIERNEY, Secretary

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, March 17, 2015

**Marine Biological Laboratory
Candle House, Rooms 104 & 105
127 Water Street, Woods Hole, MA**

- 1. Agenda**
- 2. Minutes of the January 20, 2015 Meeting in Public Session**
- 3. Business Summary for the month of January, 2015**
- 4. Staff Summary #GM-652 dated March 11, 2015 – Request for Partial Funding of the Nantucket Park 'n Ride Ferry Connector Shuttle Bus Service**
- 5. Staff Summary #GM-653 dated March 12, 2015 – Request for Partial Funding of the Oak Bluffs Park and Ride Pilot Program**
- 6. Staff Summary #HR-15-44 dated March 6, 2015 – Parental Leave Policy**
- 7. Memorandum dated February 20, 2015 – Operating Results for the Year Ended December 31, 2014 (Unaudited)**
- 8. Staff Summary #A-581 dated March 12, 2015 – Approval of Managers in Connection with the Authority's Alcoholic Beverages Licenses**
- 9. Staff Summary #A-582 dated March 12, 2015 – Resolution Authorizing the State of Steamship Bonds**
- 10. Staff Summary #L-443 dated March 12, 2015 – Approval of Change Order for Geotechnical Borings for the Woods Hole Terminal Reconstruction**
- 12. Staff Summary #E2015-1 dated March 12, 2015 – Contract No. 08-2015 "Vineyard Haven Traffic Circulation Project"**
- 13. Staff Summary #TPF-2015-2 dated March 12, 2015 – "Supply and Deliver (1) One Aero Elite 290 CNG Powered Shuttle Bus with Wheelchair Lift"**

14. **Staff Summary #GM-654 dated March 12, 2015 – Letter from the Town of Tisbury Requesting that the Steamship Authority Undertake a Study to Relocate its Facilities in Vineyard Haven**
15. **Staff Summary #GM-655 dated March 16, 2015 – Award of Contract 4-2015 “Supply and Deliver Two 36-Passenger Heavy Duty Transit Busses w/Wheelchair Lift”**
16. **Engineering & Maintenance Capital Projects Updates**
17. **March 4, 2015 Port Council Minutes**

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

The Meeting in Public Session

April 21, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of April, 2015, beginning at 9:30 a.m., in Room 2 of the Education Building at the Buttonwood Park Zoo, located at 425 Hawthorn Street, New Bedford, Massachusetts. Four Members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Robert F. Ranney of Nantucket (who participated remotely by telephone conference call); and Robert L. O'Brien of Barnstable. Secretary John A. Tierney of New Bedford was not present.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Secretary George J. Balco of Tisbury and Port Council members Frank J. Rezendes of Fairhaven and Edward Anthes-Washburn of New Bedford were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Facilities Engineer William J. Cloutier; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. Ranney's Remote Participation in the Meeting:

Mr. Hanover announced that he had been notified by Mr. Ranney that he desired to participate remotely in this meeting because his geographic distance from New Bedford made his physical attendance today unreasonably difficult. Mr. Hanover stated that he agreed with Mr. Ranney and that, as the Authority's Chairman, he had determined that Mr. Ranney's physical attendance was unreasonably difficult due to his geographic distance from New Bedford and that, therefore, he may participate remotely in this meeting, which includes voting on all matters. Mr. Hanover noted that Mr. Ranney would be doing so by telephone conference call, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him.

Further, Mr. Hanover announced that, as a result of Mr. Ranney's remote participation in this meeting, all votes taken by the Members today shall be by roll call vote.

Brianna Combra:

The Members then observed a moment of silence in memory of Vineyard Haven Terminal employee Brianna Combra, who died the prior week as a result of injuries sustained in a car accident as she was driving to work. Mr. Lamson noted that Ms. Combra had been only 24 years old and had worked at the Authority's Vineyard Haven and Oak Bluffs terminals for the past five years. Mr. Lamson stated that Ms. Combra will always be remembered as being friendly and well-liked, and that the thoughts and prayers of everyone at the Authority go out to her family and friends.

Minutes:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meetings in public session on March 10 and 17, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for February 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 9.8%), fewer automobiles (down 16.0%) and fewer trucks (down 7.2%) during the month than it had carried

during the same month in 2014. Mr. Lamson also reported that the Authority's operating revenues and other income were \$161,000 lower in February 2015 than projected, and that its operating expenses and fixed charges were \$1,481,000 lower than budgeted, but that most of the decreases in expenses were due to timing differences of certain vessel and maintenance expenses. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$3,061,000, approximately \$1,320,000 lower than projected.

Mr. Lamson further reported that, for the first two months of 2015, the Authority's operating revenues and other income had been around \$196,000 lower than projected, its operating expenses and fixed charges had been around \$1,987,000 lower than budgeted (primarily due to timing differences) and, as a result, the Authority's net operating loss had been around \$5,851,000, approximately \$1,791,000 lower than the amount projected in the Authority's 2015 operating budget. Mr. Lamson also noted that Mr. Davis had added a new page at the end of the monthly business summary listing more than \$2,952,000 of expenses that the Authority will be incurring over the next few months which are not included in the operating budget, and he observed that most those expenses will be incurred by May 2015.

After Mr. Lamson noted that the Authority's cash balance was a little lower at the end of February 2015 than expected because the Authority had to make progress payments from its Operations Fund for the construction of the *M/V Woods Hole*, Mr. Hanover asked when the Authority will be able to issue its Steamship Bonds for that project. In response, Mr. Davis stated that the Authority was scheduled to open bids for those bonds the following Monday, April 27, 2015.

Construction of the *M/V Woods Hole*:

Mr. Walker then reported that the construction of the *M/V Woods Hole* was going very well and that Conrad Shipyard was using a module layout of construction for the vessel, building it in sections. Mr. Walker also reported that the freight deck already had been constructed and had been taken out of the shop, and that other modules (including the pilot house) will be built in the shop but left off of the vessel until it is barged down river to Conrad's other shipyard. Mr. Walker stated that there had not been any engineering, procurement or change order issues, that all of the vessel's major equipment had been ordered, that he believed the vessel's construction was ahead of schedule, and that the quality of the construction was very good.

In response to a question from Mr. Hanover, Mr. Walker stated that the vessel will still be under construction in the water after it is flipped upright, and that most of the vessel's superstructure will not be placed onto the vessel until around April 2016 in Conrad's shipyard in Amelia, Louisiana, which is down river from Conrad's Morgan City shipyard. In response to another question from Mr. Hanover, Mr. Walker stated that freight trucks will not have any difficulty getting onto and off of the vessel, as the bow door will be as high as the *M/V Island Home's* doors, which can accommodate a truck's height of 13 feet, six inches.

In response to a question from Mr. Jones, Mr. Walker stated that all of the vessel's structural design was sent to an engineering firm for lofting, which minimizes the amount of steel waste, that a plasma cutter then cuts the steel by means of a computer, and that the laser also marks each piece with its own identifying number. In response to a question from Ms. Gladfelter, Mr. Walker stated that the vessel is scheduled to be delivered in Fairhaven, Massachusetts on April 28 or 29, 2016, and that the vessel will have to leave the shipyard by around April 20, 2016 because it will take a week for the vessel to get there.

Thomas B. Landers Road Parking Facility:

Mr. Walker reported that the site of the Authority's new consolidated parking lot on Thomas B. Landers Road, which is one-half mile long, was almost all level. Mr. Walker also reported that the contractor, Lawrence-Lynch Corp., was building up the porous asphalt system by putting down the choker course, and that the next day it would be doing a test patch of the top coat of the porous asphalt itself.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker then reported that the erection of the new modular building at the Authority's Fairhaven Vessel Maintenance Facility was going well, that all of the steel framing was up, that the siding and the roofing had been put on, and that the floor had been poured out the previous day. Mr. Walker also stated that everything was on schedule and that the contractor was now waiting for the utilities to be hooked up.

In response to a question from Mr. Hanover, Mr. Walker stated that, while the new building will have more room than the existing building, it will not have more room than all of the buildings it is replacing. But Mr. Walker noted that the new building will be better organized and have a dedicated stock room, which will greatly improve the efficiency of the Authority's operations.

Palmer Avenue Parking Lot Improvements:

Mr. Walker then reported that the Authority's new modular building at its Palmer Avenue parking lot would be ready by the middle of May 2015, and that it would have offices for the Authority's Parking Lot Manager and a rental car agency, as well as larger public restrooms. In response to a question from Ms. Gladfelter, Mr. Cloutier stated that the footprint of the building was a little bigger than 28 feet by 54 feet.

Design Contract with Bertaux + Iwerks Architects, LLC:

Mr. Sayers then asked the Members to authorize Mr. Lamson to enter into a design contract with Bertaux + Iwerks Architects, LLC ("BIA") for the reconstruction of the Woods Hole terminal and relocation of the Authority's General Offices. Mr. Sayers noted that, under the contract, BIA will be required to:

- perform all work necessary to enable the Authority to obtain the permits required for the project;
- prepare a "schematic design" for the project based upon the consensus solution set forth in the feasibility study for the project that was approved by the Members last year (as it may reasonably be modified and refined in response to comments, issues and concerns raised during the permitting and design process);
- develop that schematic design;
- prepare construction documents (including all construction drawings and specifications) based upon the developed design; and
- provide construction administration services for Phase I of the project (which includes the temporary terminal building) and the construction of the new General Offices building.

Mr. Sayers stated that, under the contract, BIA's basic fee for its services will be \$5,041,000 and subject to an equitable adjustment only if there is a substantial change in the scope of BIA's services provided under the contract that is not BIA's fault or if there is a significant increase in the duration of the project that is not BIA's fault. Mr. Sayers also observed that the permitting for the project could be completed by the summer of 2016, which will then allow the project to be constructed in phases so that the new terminal building can open by the summer of 2021.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to enter into a Contract for Final Design and Construction Administration Services with Bertaux + Iwerks Architects, LLC for the reconstruction of the Woods Hole terminal and the relocation of the Authority's General Offices, in substantially the form attached to Staff Summary #L-444, dated April 3, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

Policy Changes for Freight Reservation Cancellations
and the Transferability of Bulk Freight Reservations:

Mr. Lamson asked the Members to approve the staff's proposed changes to the Authority's policies regarding the cancellation of reservations for vehicles 20 feet or more in length and the transferability of bulk freight reservations. Mr. Lamson noted that the Authority's current policy requires freight shippers to cancel their reservations at least 24 hours in advance of their scheduled departure in order to avoid cancellation penalties, but that the Reservations Department historically has allowed freight shippers to cancel their reservations without penalty up to noon the day before. Under the proposed revised policy, Mr. Lamson said, freight shippers instead would be required to cancel their reservations by 6:00 a.m. the day before their scheduled departure in order to avoid a cancellation penalty so that more reservations will be made

available to the rest of the traveling public by the time the remainder of the preferred spaces for the next day go on sale later that morning.

Mr. Lamson observed that, in 2014, 25% of all freight reservation cancellations were not made until the day before their scheduled departures, and this delay in cancelling reservations has contributed to the complaints the Authority receives about no reservations being available even though the boats continue to leave with empty spaces. Mr. Lamson stated that, by choosing a 6:00 a.m. deadline, the staff was attempting to reach a balance between the freight shippers' need to have reservations they might not use and other members of the public who are still looking for reservations the day before they want or need to travel.

Mr. Lamson also noted that freight shippers currently have the ability to cancel their reservations by telephone, email or fax to the Mashpee Reservation Office or, when that office is not open, by telephone to one of the Authority's terminals. Mr. Lamson stated that the staff was in the process of making program changes to its website that will also allow freight shippers to cancel their reservations online, and he observed that this enhancement to the website will also enable the Authority to provide better real-time information on vehicle space availability virtually 24 hours per day.

Mr. Lamson also asked the Members to approve another change in the Authority's policy that restricts shippers from transferring their bulk freight reservations only to other shippers who are carrying like loads (*e.g.*, hazardous materials). Under the proposed revised policy, Mr. Lamson said, a freight shipper would be able to transfer its reservation to another shipper regardless of the load the other shipper was carrying (*e.g.*, hazardous materials to food), provided that there are no other customers on the wait list for that trip at the time the reservation is transferred (or, if the reservation is transferred after 12:00 noon the day before the scheduled departure, which is when the Authority stops processing the wait list for that trip, there were no customers on the wait list at the time the Authority stopped processing the wait list).

Mr. Lamson noted that the Port Council had voted to recommend that the Members approve the staff's proposed policy changes provided that the staff held meetings with the Authority's regular freight shippers to discuss them. Mr. Lamson reported that those meetings were held on April 15 and 16 in Woods Hole, Vineyard Haven, Nantucket and Hyannis after notices of the meetings were sent by email to all of the Authority's regular freight shippers. Mr. Lamson further reported that 18 individuals (representing around 15 shippers) attended the meetings, and that Mr. Ranney also had attended the meetings on Nantucket and in Hyannis.

Mr. Lamson further reported that, as a result of feedback from one of the shippers at those meetings, the staff was proposing that one exception be made to the proposed deadline for canceling freight reservations, namely, that if a shipper who has a one-way segment of a requested round-trip reservation is still hoping to receive its wait list request for the other one-way segment of its trip, the staff was proposing that the shipper not be required to cancel its reserved one-way segment until 12:00 noon the day before its scheduled departure (instead of 6:00 a.m. the day before). Mr. Lamson noted that this exception will give the shipper an additional six hours to make a possible wait list match for its other one-way segment while the Authority's computer system continues to process its wait list requests.

Mr. Ranney stated that he thought the staff's proposed policy changes represented a step in the right direction, and Mr. Hanover agreed, observing that this should open up a lot of car spaces over the course of a year. In response to a question from Mr. Hanover, Mr. Lamson stated that the staff did not believe there are a large number of freight shippers on the wait list for one-way segments of their requested round trip reservations. In response to a question from Ms. Gladfelter, Mr. Lamson also stated that it was difficult to estimate what percentage of the Authority's freight customers was represented by the individuals who attended the meetings. Mr. Lamson noted that, while there were not a lot of food shippers at the meetings, there were some large companies there that have three or four truck reservations a day.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to approve the changes to the Authority's policies regarding the cancellation of reservations for vehicles 20 feet or more in length and the transferability of bulk freight reservations, as set forth in red-lined version of those policies attached to Staff Summary #L-445, dated April 3, 2015, with the further revision described by the General Manager at today's meeting.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

SeaStreak Nantucket Terminal Dockage Agreement:

Mr. Lamson then asked the Members to approve a dockage agreement for the use of the Authority's Nantucket dock by SeaStreak LLC in connection with its proposed pilot program for high-speed passenger ferry service from New York on the weekends of June 5-7 and 12-14, 2015. Mr. Lamson noted that SeaStreak plans to use those two weekends in June to try out the new service, which is a continuation of its existing summer service between New York and Oak Bluffs, and that the proposed dockings of its vessel at Nantucket fall within the terminal's normal operating day and don't conflict with any of the Authority's own scheduled dockings.

In response to a question from Mr. Hanover, Mr. Lamson stated that, on Friday evenings, SeaStreak will stop at Oak Bluffs to drop off passengers traveling from New York before it continues to Nantucket and that, on Sunday afternoons, after it leaves Nantucket it will stop at Oak Bluffs to pick up passengers traveling to New York, but that no passengers will be carried on the vessel who are traveling solely between Oak Bluffs and Nantucket. In response to a question from Ms. Gladfelter, Mr. Lamson stated that SeaStreak will have to pay a passenger embarkation fee for each passenger its carries from Nantucket and Oak Bluffs, but that paying those fees will be SeaStreak's responsibility, not the Authority's.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to authorize the General Manager to enter into a dockage agreement with Seastreak LLC for the use of the Authority's Nantucket dock in substantially the form attached to Staff Summary #GM-657, dated April 14, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

Conversion of Annual Parking Permits to a Calendar Year:

Mr. Lamson asked the Members to approve the staff's request to renew the Authority's parking permits when they expire on May 14, 2015 only through the end of the 2015 calendar year instead of for another twelve-month period (through May 14, 2016), and also to sell all new parking permits with the same December 31, 2015 expiration date. Mr. Lamson observed that the Authority cannot sell any Woods Hole parking permits with an expiration date beyond December 31, 2015 because that is when its current lease with the Town of Falmouth for the Woods Hole back parking lot expires, and the parties have not yet renewed that lease. Accordingly, Mr. Lamson said, the staff felt the Authority should take this opportunity to convert all of its parking permits to run on a calendar year basis, and the proposed prices for the renewed permits reflect a pro-rated adjustment to their current annual prices based upon the number of days remaining in 2015 (although the staff was also proposing increases in the prices for new permits).

In response to a question from Ms. Gladfelter (who observed that the most entertaining part of the staff summary was the compilation of comments from parking permit holders), Mr. Rozum stated that the staff would be looking at developing some kind of payment system for permit holders, as one of the staff's biggest concerns about converting the permits to a calendar year basis was the impact it would have on the ability of the permit holders to pay for the permits so soon after the holiday season. Mr. Rozum also assured Mr. Hanover that, if the Authority is not able to renew its lease for the Woods Hole back parking lot, there will still be room for the Woods Hole permit holders at the Authority's Palmer Avenue parking lot. Nevertheless, Mr. Hanover observed that many of the Woods Hole permit holders have disabled parking placards, and he expressed his concern that they be appropriately accommodated.

Mr. Rozum also stated that, at the end of 2015, the staff probably would not renew the permits of those Woods Hole permit holders who only use the lot infrequently, which he said he considered to be less than once or twice per month. Mr. Lamson further noted that while many Woods Hole permit holders use the parking lot almost every day, on average a Woods Hole permit holder enters and leaves the lot only a little more than 50 times a year, which shows what a wide range of usage there is among the Woods Hole permit holders.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to approve the management staff's proposed changes to the Authority's current Hyannis, Woods Hole and Falmouth parking permits, as described in Staff Summary #TP-2015-3, dated April 14, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

Competitive Sale of Steamship Bonds:

Mr. Davis recounted how the Members had adopted a Bond Resolution authorizing him to issue and sell on a competitive basis up to \$38,250,000 of Steamship Bonds in order to fund the construction of the *M/V Woods Hole*, but that the Authority had been unable to issue the bonds because the Commonwealth of Massachusetts had not provided a certification of its financial condition that the Authority needs to include in its Official Statement. However, Mr. Davis announced that, on March 26, 2015, the Commonwealth had issued its certification and that, as a result, the Authority was now in a position to receive bids on Monday, April 27, 2015, for the purchase of its bonds and that the closing on the bonds can then take place on Friday, May 8, 2015. Mr. Davis also noted that, fortuitously, prevailing interest rates in the bond market have remained relatively constant during this delay.

Palmer Avenue Parking Lot Rental Car Services Agreement:

Mr. Lamson then asked the Members to award Contract No. 05-2015, the Palmer Avenue Parking Lot Rental Car Services Agreement, to Avis Budget Car Rental of Parsippany, New Jersey, observing that the agreement will allow Avis to maintain a car rental office/counter space and 20 parking spaces at the Authority's Palmer Avenue parking lot beginning May 15, 2015 through May 14, 2016. Mr. Lamson also noted that, as rent for the space, Avis will pay the

Authority \$45,000 or ten percent (10%) of its gross rental revenues generated at that location, whichever is greater. Mr. Lamson stated that Avis' proposal had received the highest rating on all of the non-financial criteria that had been specified in the Authority's request for proposals for the agreement, and that Avis also had submitted the highest minimum guaranteed amount of rent.

Mr. Lamson then recounted how, at the last Authority meeting, someone in the audience had expressed concern about the financial impact that this use of 20 parking spaces at the Palmer Avenue parking lot for rental cars would have on the Authority's revenues. Mr. Lamson noted that, based upon the minimum guaranteed rent that will be paid by Avis, the rent effectively paid by Avis for each parking space will be almost \$1,300 per year, compared to \$650 the Authority receives for a Palmer Avenue parking permit. Mr. Lamson further stated that the staff believes the car rental operations will be a great service for the Authority's customers who need to rent a car for a day or for only a few hours (as Avis might also locate Zipcars at the parking lot), and he observed that the car rental operation at the Authority's Hyannis terminal already has been very successful.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that anyone will be able to rent cars from Avis at the Authority's Palmer Avenue parking lot, not just the Authority's customers.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No. 05-2015, "Palmer Avenue Parking Lot Rental Car Services Agreement," to Avis Budget Car Rental of Parsippany, New Jersey, as recommended by the management staff in Staff Summary #TP-2015-4, dated April 13, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	90 %	0 %

Vineyard Haven Terminal Traffic Circulation Project:

Mr. Lamson reported that, pursuant to the authorization the Members had given him the prior month, he had awarded Contract No. 08-2015 to complete certain traffic improvements at the Authority's Vineyard Haven terminal that had been requested by the Tisbury Traffic Planning Committee to the lowest eligible and responsible bidder for that contract, Lawrence-Lynch Corporation of Falmouth, Massachusetts, for a total contract price of \$244,000. Mr. Lamson also reported that the final completion date for all of the work under the contract was May 21, 2015.

Mr. Hanover then stated that he had received a telephone call from Captain Robert Douglas, who had expressed his concern that the Authority's plan to shift the employees' parking spaces three feet closer to the property line towards Captain Douglas' property could result in cars damaging the trees that are located there. Mr. Hanover stated that he had since looked at the area and shared Captain Douglas' concern, and that he did not want to lose those trees. In response, Mr. Lamson noted that there would be a curb there to protect the trees. Mr. Walker also stated that the parking spaces at that location were for the Authority's employees, not for transient customer parking, and that the likelihood of the employees hitting the trees with their cars was minimal.

Port Council's Report:

Mr. Jones reported that, at the meeting earlier in the month, the Port Council had vetted all of the items that the Members had considered that day.

Release to the Public of Portions of Executive Session Minutes:

Mr. Sayers recounted how the Members had voted in 1997 to delegate to the General Manager their responsibility to approve appropriate portions of the minutes of the Members' meetings in executive session for release to the public when the publication of such portions will no longer defeat the lawful purposes of the executive session. Mr. Sayers also noted that the Open Meeting Law requires the Authority to review its executive session minutes at reasonable intervals to determine which portions of those minutes should be released to the public, to announce that determination at the Members' next meeting in public session, and to include that announcement in the minutes of the meeting as well.

Mr. Sayers stated that, pursuant to these requirements, Mr. Lamson had determined that all portions of the minutes of the Members' meetings in executive session through December 31, 2014 should be released to the public except for the portions of the minutes reflecting the Members' discussions and actions about the following matters:

1. Pending or anticipated litigation matters;
2. Pending or anticipated collective bargaining negotiations;
3. Pending or anticipated negotiations for the purchase, exchange, lease or value of real estate;
4. Pending or anticipated contract negotiations with non-union personnel;
5. Pending or anticipated investigations of charges of criminal misconduct or considerations of the filing of criminal complaints;
6. Information protected from disclosure under Mass. G.L. c. 4, § 7, cl. 26th, and now explicitly under Mass. G.L. c. 30A, § 22(e) as well;
7. Discussions protected by the attorney-client privilege; and
8. Security matters.

As a result, Mr. Sayers said, the additional portions of the minutes of the Members' meetings in executive session through December 31, 2014 that have been released to the public, subject to the above limitations, include those pertaining to:

- (a) The Authority's acquisition of the property located at 590 Thomas B. Landers Road in Falmouth for use as its consolidated off-site parking facility;
- (b) The value and possible acquisition of different parcels of property being considered as potential new sites for the Authority's General Offices, including but not limited to 81 Technology Park Drive, 677 Gifford Street and 0 Research Road in Falmouth;
- (c) The Authority's negotiations with the Independent Steamship Authority Workers Union (ISAWU) and then Teamsters Union Local No. 59 for a new collective bargaining agreement for the Authority's unlicensed vessel employees;

- (d) The Authority's potential litigation against CDR Maguire Inc. (formerly known as the Maguire Group, Inc.) to recover damages the Authority incurred as a result of the failure of the Oak Bluff terminal building's foundation in November 2009;
- (e) The Authority's acquisition of the property located at 60 School Street in Hyannis;
- (f) The Authority's potential conveyance of a small portion of the Authority's property in Fairhaven to the neighbor who owns the abutting property at 10 Main Street in Fairhaven;
- (g) The Authority's strategy with respect to its contracts with non-union employees, including its 2014 pay program for those employees;
- (h) The Authority's contract negotiations with General Manager Wayne C. Lamson and Assistant Port Captain Charles M. Monteiro;
- (i) The Authority's renewal of its lease with the Woodland Trust for the property at 1251 Route 28A in Cataumet; and
- (j) The maritime asbestos cases (MARDOC) commenced by seamen in the federal district court in northern Ohio against shipowners, including the Authority, alleging asbestos-related diseases.

Report of the Authority's Independent Auditors:

Mr. Hanover reported that he recently had met with the Authority's independent auditors, who had reported that the Authority's Accounting and Information Technologies Departments were exemplary. Mr. Hanover declared that it was nice to see how everything was being managed at the Authority, and he thanked Mr. Davis and Ms. Claffey for doing such a great job.

Meeting Schedule:

At Mr. Lamson's suggestion, the Members agreed that the date of the Authority's next meeting (which will be held in Hyannis) would be changed from Tuesday, May 19, 2015, to Thursday, May 14, 2015.

Public Comment:

A member of the audience recounted how, as a result of his asthma, he had arranged his life so that he does not have to come into contact with any cigarette smoke at all, and that the only places he had been unable to achieve his goal were the Authority's Woods Hole and Vineyard Haven terminals. The individual stated that Authority employees smoke while collecting tickets from customers at those terminals, that it was a normal course of conduct there, and that they never make any effort to hide it. Declaring that coming into contact with their cigarette smoke was a very, very serious health hazard for him, and that others also had to endure it, the individual asked the Members to stop the Authority's employees from smoking in these situations, saying that it was the right thing to do. The individual also stated that Massachusetts state law (Mass. G.L. c. 270, § 22) prohibits smoking at all transportation passenger terminals, and that the Authority could be sued if it continued to allow its employees to smoke there.

In response, Mr. Hanover stated that he personally had never observed an Authority employee smoking while collecting tickets at any of the terminals, and that the Authority would look into the matter and not ignore his concerns. Mr. Lamson agreed, observing that the Authority's policies expressly prohibit smoking by employees when they are performing their duties, including loading vehicles and collecting passenger tickets.

At approximately 10:41 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot, the potential acquisition of additional property in Falmouth, and the renewal of the Authority's leases with the Barnstable Municipal Airport Commission for two parking lots on Brooks Road and Mary Dunn Way in Hyannis, and he announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating positions. Mr. Hanover also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and further announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to go into executive session to consider the purchase, exchange, lease or value of real property.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

A TRUE RECORD



STEVEN M. SAYERS, Clerk

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, April 21, 2015

**Buttonwood Park Zoo
Education Building, Room 2
425 Hawthorn Street, New Bedford, MA**

- 1. Agenda**
- 2. Minutes of the March 1 and March 17, 2015 Meetings in Public Session**
- 3. Business Summary for the Month of February, 2015**
- 4. Staff Summary #L-444 dated April 3, 2015 – Approval of Design Contract with Bertaux + Iwerks Architects for the Woods Hole Terminal Reconstruction Project**
- 5. Staff Summary #L-445 dated April 3, 2015 – Approval of Policy Changes for Freight Reservation Cancellations & Transferability of Bulk Freight Reservations**
- 6. Staff Summary #GM-657 dated April 14, 2015 – Proposed Dockage Agreement with SeaStreak Pilot Program to Provide Service to Nantucket from New York on June 5th and June 12th and Returning on June 7th and June 14th**
- 7. Staff Summary #TPF-2015-3 dated April 14, 2015 – Conversion of Annual Parking Permits to a Calendar Year**
- 8. Staff Summary #TPF-2015-4 dated April 13, 2015 – Contract No. 05-2015 “Palmer Avenue Parking Lot Rental Car Services Agreement”**
- 9. Staff Summary #E2015-2 dated April 14, 2015 – Contract #08-2015 “Vineyard Haven Traffic Circulation Project”**
- 10. April 1, 20215 Port Council Minutes**
- 11. Staff Summary #GM-656 dated April 14, 2015 – Release to the Public of Portions of Executive Session Minutes**
- 10. Engineering & Maintenance Capital Project Updates**

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

The Meeting in Public Session

May 14, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 14th day of May, 2015, 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 Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary John A. Tierney of New Bedford (who participated remotely by telephone conference call); Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, 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 Security Lawrence S. Ferreira; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh (who arrived during Mr. Lamson's report on the results of operations); Director of Terminal and Parking Operations Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. Tierney's Remote Participation in the Meeting:

Mr. Hanover announced that he had been notified by Mr. Tierney that he desired to participate remotely in this meeting because his personal illness made his physical attendance today unreasonably difficult. Mr. Hanover stated that he agreed with Mr. Tierney and that, as the Authority's Chairman, he had determined that Mr. Tierney's physical attendance was unreasonably difficult due to his personal illness and that, therefore, he may participate remotely in this meeting, which includes voting on all matters. Mr. Hanover also noted that Mr. Tierney would be doing so by telephone conference call, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Further, Mr. Hanover announced that, as a

result of Mr. Tierney's remote participation in this meeting, all votes taken by the Members today shall be by roll call vote.

Minutes:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on April 21, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Mr. Tierney abstained from voting on the minutes of the Members' April 21, 2015 meeting in public session.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for March 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 2.8%), fewer automobiles (down 2.6%) and more trucks (up 9.2%) during the month than it had carried during the same month in 2014, with the Nantucket route seeing higher traffic increases during the month than the Martha's Vineyard route. Mr. Lamson also noted that, in March 2015, the Authority had cancelled two trips on the Vineyard route and four trips on the Nantucket route due to weather or mechanical problems, while in March 2014 the Authority had cancelled 33 trips on the Vineyard route and 22 trips on the Nantucket route.

Mr. Lamson also reported that the Authority's operating revenues and other income were \$296,000 higher in March 2015 than projected, and that its operating expenses and fixed charges were \$231,000 higher than budgeted, but that most of the increases in expenses were due to timing differences of

certain vessel and maintenance expenses. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$3,548,000, approximately \$64,000 lower than projected.

Mr. Lamson further reported that, for the first three months of 2015, the Authority's operating revenues and other income had been around \$99,000 higher than projected, its operating expenses and fixed charges had been around \$1,756,000 lower than budgeted (primarily due to timing differences and fuel expenses which had been \$486,000 lower than budgeted) and, as a result, the Authority's net operating loss had been around \$9,400,000, approximately \$1,855,000 lower than the amount projected in the Authority's 2015 operating budget. Finally, Mr. Lamson noted that the cash balance of the Authority's Operations Fund at the end of March 2015 had been a little bit lower than projected, but that was because the Authority had to make some progress payments from that fund for the construction of the *M/V Woods Hole*. Mr. Lamson stated that the balance will change later in May 2015 now that the Authority has closed on its new bond issue and the fund can be reimbursed from some of the bond proceeds.

Construction of the *M/V Woods Hole*:

Mr. Walker reported that the construction of the *M/V Woods Hole* was progressing well, that it was on schedule and on budget, and that, although Conrad Shipyard had submitted 15 to 20 change orders, only one of them raised a cost issue and that one was still being negotiated. Mr. Walker also reported that Module A of the vessel (the freight deck) was now complete, having passed a United States Coast Guard inspection the previous Monday, and that Module B should be completed by the end of June, when work on Module C (the shell plating) will start. In addition, Mr. Walker said, other modules will be constructed in another building and installed on the vessel after it is launched this September.

Thomas B. Landers Road Parking Facility:

Mr. Walker then reported that the construction of the Authority's new consolidated parking lot on Thomas B. Landers Road was progressing well, that the traffic "ring" road had been paved, and that the permeable base had been completed over the entire lot. Mr. Walker also stated that Lawrence-Lynch Corp. will start placing the top coat of the porous pavement the next day and

install the traffic control booths the following week. Further, Mr. Walker said, the utilities are expected to be completed by the end of May 2015 and the office building by mid- to late June, leaving the Authority on target to open the facility by June 25th.

In response to a question from Mr. O'Brien, Mr. Walker stated that the bottom layer of the porous pavement is 3-½ inches thick, and that the top coat is 1-½ inches thick. Mr. Hanover then asked whether, if the Authority later wanted to install solar panels at the parking lot, the parking configuration could remain as it was then (with cars parked in rows going from north to south) or whether the Authority would have to change the entire parking lot so that the cars are parked in rows going from east to west. Mr. Lamson stated that the decision to have the rows of parked cars go from north to south made sense because of the parking lot's east-to-west orientation, and that the Authority initially had been told that this design would not be best for a solar installation because the solar panels have to be oriented towards the south. But Mr. Lamson stated that, after the bids for the construction contract had been opened, another company had approached the Authority and said that solar panels could be installed even with the cars parked in rows going from north to south. Unfortunately, Mr. Lamson said, by that time it was too late for the Authority to revise the project to include the installation of solar panels without delaying it for another year and, if the Authority were to decide to install solar panels at this point, it would have to go back and dig up the parking lot in order to install them. But Mr. Walker stated that the Authority could trench 20 feet between each of the columns so that solar panels facing south can be installed over the parking lot.

After Mr. Walker finished his report, Mr. Hanover stated that he had seen the parking lot the previous Tuesday and he declared that it looked fantastic.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker then reported that the erection of the new modular building at the Authority's Fairhaven Vessel Maintenance Facility was on schedule, that the installation of utilities will begin next week, that the building will be completed by late July, and that the stock room will be fully operational before the beginning of the Authority's next vessel overhaul season.

Palmer Avenue Parking Lot Improvements:

Mr. Walker also reported that power for the Authority's new modular office building at its Palmer Avenue parking lot should be installed next week, that the ramps still needed to be installed, and that the contractor had said that the building will be operational by May 30th, although Mr. Walker stated that he was going to get involved to make sure it happens.

Vineyard Haven Terminal Traffic Circulation Project:

Mr. Walker then reported that the traffic improvements at the Vineyard Haven terminal were going well, that the slabs for the two traffic control booths had been poured, that the booths had been delivered, that the top coat of asphalt will be put on the next day and then the booths installed on Saturday, and that wiring will begin on Sunday so that everything will be operational as soon as possible. Mr. Walker also reported that Lawrence-Lynch Corp. had promised him that it would hire a tree specialist to evaluate the issues that had been raised about the trees at the end of the lot and do whatever it takes to make sure the trees are properly maintained.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that Bertaux + Iwerks Architects, LLC ("BIA") had begun the permitting process for the reconstruction of the Woods Hole terminal and relocation of the Authority's General Offices, and that the first step of that process will be the filing of an Environmental Notification Form with the Massachusetts Executive Office of Energy and Environmental Affairs. In addition, Mr. Lamson stated that BIA was taking boring samples of soils (both landside and under the water) where the new ferry slips and terminal building will be located, and it also has conducted a walk-through of the property with all of the design team's various engineering firms to familiarize them with the site.

Improvements to the Authority's WiFi Service:

Ms. Claffey reported that the Authority had been working to improve the connectivity of its free WiFi service in response to several complaints it had received about passengers being unable to connect to the WiFi service on both routes. Ms. Claffey stated that after the Authority made significant upgrades and transitioned to a leading edge technology, it has seen dramatic increases in the WiFi's usage and much better throughput. However, Ms. Claffey said, many of the problems encountered by the Authority's customers are due to the fact that they are using cellphones with all of their websites bookmarked instead of using a browser to get to them. Ms. Claffey stated that, as a result, they do not see the initial page where customers have to click on the "I agree" button to the Authority's terms and conditions of usage in order to use the WiFi. However, Ms. Claffey assured the Members that the Authority was working on a solution that will cause that page to appear automatically on everyone's different devices.

Ms. Claffey then observed that other customers' problems were due to the fact that they are sometimes using corporate equipment that does not allow them to be connected to unknown outside networks, or because they are trying to connect to the WiFi when they are on a vessel's freight deck (where there is no WiFi service). Ms. Claffey stated that the Authority is attempting to better inform customers of these issues and, in turn, customers are telling the Authority that they are experiencing significant improvements in the service. But Ms. Claffey cautioned that the upgrade is still a work in progress and that, although the usage of the WiFi is up significantly based upon the data reports, her goal was to continue improving the WiFi and provide better service.

After Ms. Claffey finished her report, Mr. Hanover agreed that the WiFi was definitely getting better and stated that he had not received any complaints about it for the past month. Mr. Jones then suggested that it might benefit the Authority's customers if the Authority were to put a notice on its website explaining what the guidelines are for using the WiFi. Ms. Claffey agreed, and stated that the guidelines could be communicated both on the website and in the Authority's e-news and Travel Tips. Mr. Jones also suggested that the vessels could have additional signage about the WiFi guidelines as well.

In response to a question from Ms. Gladfelter, Ms. Claffey stated that the Authority did not have someone on board every vessel to help people who are having problems connecting to the WiFi. Instead, Mr. Claffey said, customers who are having trouble generally report it to the crew, who then contact the Information Technologies Department, and a member of the department will then work directly with them to resolve the issue.

Maximo Maintenance Management Information System Upgrade:

Ms. Claffey then reported on the Authority's upgrade of its maintenance management information system (Maximo) that the Members had approved in September 2014. Ms. Claffey recounted how, because Maximo is an IBM product, the Authority partnered with IBM representatives to accomplish the upgrade, but the IBM representatives recommended a number of features that turned out to be not compatible with the new software. Ms. Claffey noted that, in this regard, one of the key goals of the upgrade has been to integrate Maximo with computer tablets so that the Authority's employees can access and enter information into the system directly on those tablets, and she stated that this was one of the features that were not compatible with the new software. Ms. Claffey reported that, fortunately, the mistakes have been resolved and, earlier this month, the Authority finally has been able to get back to a test platform and confirm the accuracy of the transition of the old system's data to the new one. Ms. Claffey stated that, after this stage is completed, the Authority will begin integrating the computer tablets with the system.

Additional Information Technologies Improvements:

Mr. Lamson then reported on several other improvements the Authority was making to its online reservations system. For example, Mr. Lamson said, freight shippers now have the ability to cancel their truck reservations online, and the Authority was pretty close to being able to automatically send them a text message when they receive their wait list requests. Mr. Lamson stated that, in addition, the general public will soon be given the option of allowing their wait list requests to be filled up to 12:00 noon the day before their scheduled departure, observing that currently the Authority stops processing its customers' wait list requests 48 hours in advance of their scheduled departure. Finally, Mr. Lamson reported that the Authority was working towards processing wait list requests on a real-time basis, instead of processing them once a day in the late evening, which will result in customers being informed more quickly when the Authority is able to provide them with their wait list requests.

Changes to the Authority's Non-Smoking Policy:

Mr. Lamson recounted how, at the Members' last meeting, a customer had complained about Authority employees smoking at the Woods Hole and Vineyard Haven terminals while collecting tickets. Mr. Lamson stated that his review of the Authority's policies confirmed that Authority employees are prohibited from smoking while performing their duties, including loading vehicles and collecting passenger tickets, and that customers are also prohibited from smoking on any terminal ramps (as well as on any vessel or in any SSA building, van or bus). But Mr. Lamson noted that no policy specifically prohibited customers from smoking when they are in line to board a ferry. Therefore, Mr. Lamson said, he was asking the Members to approve the staff's recommendation to revise the Authority's policies by adding passenger queuing lines to the list of locations where smoking is prohibited on Authority property. Mr. Lamson stated that the Authority will then enforce this policy by, among other things, posting signs and asking customers not to smoke out of courtesy to their fellow passengers.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to approve a revision to the Authority's Rules and Regulations Governing Public Conduct on Terminal Property, which already prohibit people from smoking on any terminal ramps or in or upon any building, to also prohibit any person from smoking in any passenger waiting queues, as recommended by management in Staff Summary #GM-658, dated May 7, 2015.

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

Competitive Sale of Steamship Bonds:

Mr. Davis reported that, after the Commonwealth of Massachusetts issued its information statement at the end of March 2015, the Authority had been able to distribute an official notice of sale of its most recent bond issue and had received bids for them on April 27, 2015. Mr. Davis stated that ten bids were received and that the bonds were awarded to Janney Montgomery Scott, LLC, of Philadelphia, Pennsylvania, based upon their offer to purchase all of the bonds at the lowest true interest cost of 2.47718%. Mr. Davis also stated that the principal amount of the bonds (which mature in the years 2021 through 2029) will have coupon rates ranging from 5% down to 3%, resulting in an average coupon rate of 4.33146%; and that, because the successful bid included over \$5,600,000 in premium, the total amount of the bonds that were issued had been "resized" from \$38,250,000 to \$32,950,000. Mr. Davis noted that, as a result, the Authority will be using less of its bonding capacity than previously anticipated.

Mr. Hanover asked whether the Authority could obtain its own bond rating, observing that it appeared to be detrimental to be tied to the Commonwealth of Massachusetts' bond rating. In response, Mr. Lamson recounted how, years ago, he had tried to convince the bond rating agencies to rate the Authority separately from the Commonwealth, but that none of them were willing to do so because the bonds are backed by the full faith and credit of the Commonwealth.

2014 Analysis of Rates versus the Cost of Service:

Mr. Davis reviewed his analysis of the effectiveness of the Authority's rate structure to cover each route's respective cost of service for passengers, automobiles and trucks during the 2014 calendar year, noting that the methodologies used in the analysis were the same as those that have been used for the previous ten years.

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

- (a) In 2014, total vessel operating costs increased by \$177,118, or 0.7%; total indirect non-vessel costs decreased by \$280,622, or 1.2%, principally due to decreases in dolphin and dock repairs; and, as a result, the overall cost of service for the Martha's Vineyard route decreased by \$103,504, or 0.2%, from 2013.

- (b) The number of trips operated increased by 63 in 2014, with total capacity for the year increasing by 3,560 car-equivalent unit spaces. The number of spaces occupied increased by 9,673, or 1.6%, from 2013, resulting in an increase of the occupancy rate from 79.9% in 2013 to 80.8% in 2014.
- (c) The estimated cost of a car-equivalent unit space was \$52.32 in 2014, down from \$53.55 in 2013. On average, automobiles covered 91.4% of their allocated cost of service, with standard fare automobiles covering 123.4% and excursion fare automobiles covering 38.1%. By comparison, on average, trucks were covering 108.8% of their allocated cost of service.

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

- (a) In 2014, total vessel operating costs decreased by \$955,742, or 5.9%, primarily due to a decrease in engine part costs and fuel expense; total indirect non-vessel costs allocated to the Nantucket route decreased by \$179,845, or 1.6%; and, as a result, the overall cost of service for the Nantucket route decreased by \$1,135,587, or 4.2%, from 2013.
- (b) The number of trips operated increased by 63 in 2014, and 3,060 more spaces were provided in 2014 than in 2013. The total number of spaces occupied increased by 6,155, resulting in an increase in the occupancy rate from 80.9% in 2013 to 82.7% in 2014.
- (c) The estimated cost of a car-equivalent unit space was \$117.35 in 2014, down from \$129.36 in 2013. On average, automobiles were covering 128.3% of their allocated cost of service, with standard fare automobiles covering 164.8% and excursion fare automobiles covering 45.8%. By comparison, on average, trucks were covering 98.1% of their allocated cost of service.

After the Members complimented Mr. Davis on his comprehensive analysis, Ms. Gladfelter observed that there was an irony in the inverse correlation between the Authority's vehicle rates and its per-vehicle cost of transportation. In the summer, when ferries carry more vehicles per trip and, therefore, the per-vehicle cost of transportation is less, the Authority's vehicle rates are higher; while during the winter, when ferries carry fewer vehicles per trip and, as a result, the per-vehicle cost of transportation is greater, the Authority's vehicle rates are lower.

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had vetted all of the items that the Members had considered that day. Mr. Jones further reported that, even though the Port Council had felt that the performance evaluation form for the General Manager was cumbersome, they had voted to recommend that the Members approve it for this year with the suggestion that a Port Council member work with the Members to streamline the form for next year.

Performance Evaluation of the General Manager:

Mr. Sayers stated that the Members had been provided with a proposed form to be used by the Port Council and the Members at their June meetings when evaluating the performance of the General Manager over the past year. Mr. Sayers also stated that the form, which is based upon the Members' prior performance evaluation form, had been updated to include the General Manager's eleven goals for this year and to call for the formulation of the General Manager's goals and objectives for the upcoming year (July 1, 2015 – June 30, 2016) to take place at the Port Council and Authority meetings in July.

Mr. Sayers further stated that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members adopt the form, but had also observed that the current evaluation process is cumbersome. Therefore, Mr. Sayers said, the Port Council had expressed their willingness, if the Members were to so choose, to have several of its members participate in a subcommittee (comprised of both Members and Port Council member) over the next year to develop a different form to use to evaluate the General Manager's performance in the future.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to adopt the form attached to Staff Summary #L-446, dated May 7, 2015, for the performance evaluation of the General Manager.

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

Appointment of the Authority's Independent Auditors:

Mr. Davis then asked the Members to appoint McGladrey LLP again as the Authority's independent auditors for the year ending December 31, 2015 for a fee of \$126,200 (which he said represents no change from this past year's fee). Mr. Davis noted that, three years ago, the Authority had issued a request for proposals for auditing services and that McGladrey had submitted the top-ranked proposal for those services. Mr. Davis also stated that McGladrey's proposed audit plan for 2015 is similar to this past year's scope of services, that it will include an in-depth review of the Authority's general computer controls and procedures, and that, while the general scope of services remains similar, the complexities of the 2015 audit are expected to expand due to the Authority's need this year to adopt Governmental Accounting Standards Board (GASB) pronouncements related to pension liabilities.

In response to a question from Mr. Hanover, Mr. Davis stated that he was asking that McGladry's appointment be for only one year because that was what McGladry had proposed. Mr. Davis also noted that the one-year term will allow McGladry to find out how much additional time they need to spend to comply with the new GASB pronouncements related to pension liabilities before they commit to a fee arrangement for subsequent years.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to reappoint McGladrey, LLP as the Authority's independent auditors to provide a comprehensive financial audit and related services for the fiscal year ending December 31, 2015 for a total fee of \$126,200, as recommended by management in Staff Summary #A-585, dated May 7, 2015.

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

2016 Winter and Spring Operating Schedules:

Mr. Lamson then noted that the staff was beginning to develop next year's winter and spring operating schedules, realizing that the Authority had not provided enough vehicle capacity during those schedules this past year. Mr. Lamson noted that when the staff presents the preliminary version of the proposed schedules next month, they will be presented for discussion purposes and public comment only and that the Members will not be asked to approve the schedules until their following meeting in July 2015. Mr. Lamson also noted that, while traffic during those periods is dependent on the weather, the economy and the Authority's vessel overhaul schedules, the staff was leaning towards starting the spring schedule earlier next year than it had started this past year. Mr. Hanover agreed, and observed that the *M/V Island Home* is missed whenever it is taken out of line service for repair.

Use of Natural Gas Instead of Diesel for Vessel Fuel:

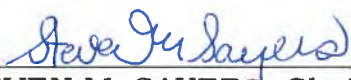
Mr. Jones noted that a ship had just been launched which was designed to be fueled by natural gas instead of diesel, and he observed that natural gas burns cleaner and does not have any sulfur. Mr. Jones also stated that vessels were also being designed so that they can use a couple of different fuels and he noted that this may be the wave of the future. Ms. Gladfelter agreed, observing that automobiles are now being designed to use a combination of fuels, such as gasoline and natural gas.

At approximately 10:27 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, including the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot, the renewal of restrictive covenants to Ellen Fisher Tully and Frederick Fisher with respect to the Woods Hole terminal property, the renewal of the Authority's leases with the Barnstable Municipal Airport Commission for two parking lots on Brooks Road and Mary Dunn Way in Hyannis, the potential acquisition of additional property in Falmouth and Hyannis, negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's reservation clerks and other Customer Department employees, and anticipated negotiations with the unions of all of the Authority's represented employees regarding the implementation of the Massachusetts earned sick time law, and he announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions. Mr. Hanover also stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and further 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 consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD


STEVEN M. SAYERS, Clerk

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, May 14, 2015

**SSA's Hyannis Terminal
2nd Floor Meeting Room
141 School Street, Hyannis, MA**

- 1. Agenda**
- 2. Minutes of the April 21, 2015 Meetings in Public Session**
- 3. Business Summary for the Month of March, 2015**
- 4. Staff Summary #GM-658 dated May 7, 2015 – Approval of Proposed Changes to the Non-Smoking Policy**
- 5. Staff Summary #A-584 dated May 7, 2015 – Bid Results on the sale of \$32,950,000 of Steamship Bonds**
- 6. Staff Summary #A-584 dated May 7, 2015 – 2014 Analysis of Rates versus Cost of Service**
- 7. Staff Summary #L-446 dated May 7, 2015 – Process and Form to be Used for the Annual Performance Evaluation of the General Manager**
- 8. Staff Summary #A-585 dated May 7, 2015 – Appointment of McGladrey LLP as the Authority's Independent Auditors**
- 9. May 6, 2015 Port Council Minutes**

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

The Meeting in Public Session

June 16, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of June, 2015, beginning at 9:30 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County (who participated remotely by telephone conference call); Vice Chairman Elizabeth H. Gladfelter of Falmouth; Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

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

Mr. Hanover' Remote Participation in the Meeting:

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

remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

John A. Tierney:

Ms. Gladfelter then asked all in attendance that day to observe a moment of silence in honor of John A. (Jack) Tierney, the Authority's former New Bedford Member, who had passed away the previous month. Ms. Gladfelter observed that Mr. Tierney had been a tremendous public servant all of his life, including being a Justice on the Massachusetts Superior Court; but she noted that everyone at the Authority knew him from the last seven years when he served as the City of New Bedford's representative on the Authority's Board. Ms. Gladfelter declared that Mr. Tierney was a man of utmost integrity who fulfilled his fiduciary duties to both the Authority and the City of New Bedford with a deep commitment to fairness and compassion for the Islands as well, and she noted that all of the Members had been the beneficiaries of his wise counsel, which he consistently dispensed with grace, patience and respect for everyone who came before him. Finally, Ms. Gladfelter stated that it has been the Members' distinct honor and privilege to have worked with him all of these years, and she declared that he will be missed.

New Bedford Member:

Ms. Gladfelter then welcomed Moira Tierney, Mr. Tierney's daughter and his successor as the Authority's New Bedford Member, observing that New Bedford Mayor Jon Mitchell had appointed Ms. Tierney the previous month to continue the Tierney family's long tradition of public service.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on May 14, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Ms. Tierney abstained from voting on the minutes of the Members' May 14, 2015 meeting in public session.

Election of Secretary:

Ms. Gladfelter then recounted how the Authority's enabling act provides for the Authority's chairmanship to rotate among its five Members each year. Noting that Mr. Hanover, as the Authority's Dukes County Member, is Chairman during 2015 and that she, as the Authority's Falmouth Member, will be the Authority's Chairman in 2016, Ms. Gladfelter stated that Ms. Tierney, as the Authority's New Bedford Member will be the Authority's Chairman in 2017.

Ms. Gladfelter also noted that the Authority's enabling act requires the Members to elect one of themselves to be the Authority's Vice Chairman and another Member to be Secretary. Noting that she already has been elected to be the Authority's Vice Chairman for this year, Ms. Gladfelter then entertained a motion to elect Ms. Tierney to be the Authority's Secretary for this year.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to elect Moira E. Tierney to serve as the Authority's Secretary for the year 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Ms. Tierney abstained from voting on her election as Secretary.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for April 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 4.1%), more automobiles (up 2.0%) and more trucks (up 3.2%) during the month than it had carried during the same month in 2014. Mr. Lamson also noted that the Authority had seen an 18% increase in ridership on the *M/V Iyanough* in April 2015 compared to the same month last year, even though it started service one day later this year. However, Mr. Lamson observed that the increase may have been partly due to the fact that the vessel had missed only one round trip this year due to weather compared to the six round trips it had missed due to weather in April 2014.

Mr. Lamson also reported that the Authority's operating revenues and other income were \$200,000 higher in April 2015 than projected, and that its operating expenses and fixed charges were \$21,000 higher than budgeted (with vessel fuel oil expenses coming in \$229,000 lower than budgeted and maintenance expenses \$175,000 higher than budgeted). As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$1,239,000, approximately \$179,000 lower than projected.

Mr. Lamson further reported that, for the first four months of 2015, the Authority's operating revenues and other income had been around \$300,000 higher than projected, its operating expenses and fixed charges had been around \$1,734,000 lower than budgeted (of which \$715,000 was due to vessel fuel oil expenses being lower than budgeted) and, as a result, the Authority's net operating loss had been around \$10,638,000, approximately \$2,034,000 lower than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson noted that the Authority's cash balance in its Operations Fund at the end of April 2015 had been a little bit lower than projected, but that was because the Authority had to make some progress payments from the Operations Fund for the construction of the *M/V Woods Hole* due to the Commonwealth of Massachusetts' delay in releasing its updated financial information so that the Authority could move forward with its most recent bond issue. Mr. Lamson observed that, after the closing on bond issue in early May 2015, the Authority had transferred \$4,374,000 of the bond proceeds to the Operations Fund for all of the progress payments that had been made to date, and that future progress payments for the construction of the *M/V Woods Hole* would be paid directly from the Authority's Capital Improvement Fund.

Construction of the *M/V Woods Hole*:

Mr. Walker then reported that the construction of the *M/V Woods Hole* at Conrad Shipyard in Morgan City, Louisiana, was progressing well and on schedule, that the fabrication and installation of Module A (Main Deck) had been completed, the erection of Module B (Internal Structural Bulkheads) was 70% complete, and the erection of Module C (Side Shells) was 60% complete. Mr. Walker also reported that the Owner-furnished bow thruster already had been delivered to the shipyard and should be installed later that week, that all of the long lead-time items had been ordered, and that the vessel's hull would be floated and flipped at the end of September 2015.

Thomas B. Landers Road Parking Facility:

Mr. Walker then reported that the construction of the Authority's new consolidated parking lot on Thomas B. Landers Road was also progressing well, that all paving of the lot had been completed, that the pavement had all been striped, that the fencing would be completed the following day, that the signage would be completed by next Tuesday, that additional landscaping had been planted to screen the lot from Thomas B. Landers Road, that the parking equipment had been installed, and that the security cameras also had been installed and would be operational by the end of the week. Mr. Walker also reported that Lawrence-Lynch Corp. was expected to complete its work and be offsite by the end of this week, and that the entire facility was expected to be operational with some punch list items by June 23rd.

Ms. Gladfelter stated that she had been told that the facility needed more landscaping screening, but that when she later drove down Thomas B. Landers Road she was unable to see the parking lot at all (apparently due to the additional landscaping). Mr. Hanover then expressed his concern that, if the Authority is unable to renew its lease with the Town of Falmouth for the back Woods Hole parking lot, the Authority's Palmer Avenue parking lot will be overtaxed and more people will be parking at Thomas B. Landers Road. For this reason, Mr. Hanover asked Mr. Walker whether the parking lot system at the new facility will work for parking permit holders' cars as well as the cars of ordinary customers, and Mr. Walker assured him that it will.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker then reported that work on the new modular building at the Authority's Fairhaven Vessel Maintenance Facility was progressing but not on schedule as he had hoped. In this regard, Mr. Walker stated that he had met with the contractor the previous week and that the contractor had admitted that he had undermanned the project. Nevertheless, Mr. Walker said, the contractor will significantly complete the project and obtain a temporary occupancy permit for the building by the end of July so that the Authority can move its stockroom into the building and set up the shops there. Mr. Walker stated that it will then take another three weeks to finish the conference room and offices, but that the entire building will be operational by late August so that the Authority can then demolish the old building.

Palmer Avenue Parking Lot Improvements:

Mr. Walker then reported that the new modular office building at the Authority's Palmer Avenue parking lot had been completed except for a small amount of paving and landscaping, and that Lawrence-Lynch was finishing those items that day. As a result, Mr. Walker said, the Authority's Parking Lot Operations were moving into the new building that week and Avis Budget Car Rental would also start its operations from the building on that Friday.

Vineyard Haven Terminal Traffic Circulation Project:

Mr. Walker then reported that the traffic circulation improvements at the Authority's Vineyard Haven terminal were complete and operational, although some materials were still on site and there was a little bit of clean-up work to do. Mr. Walker also reported that the issues with the trees along the eastern edge of the property had been addressed by digging wells around the trees to ensure that their trunks are not buried in soil.

Mr. Hanover declared that the terminal improvements looked great and that everyone seemed quite pleased about the work. However, Mr. Hanover observed that the reflective glass for the windows in the two check-in booths made it difficult for people to tell which booth is open and whether anyone is inside them.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority and its design team had met on a preliminary basis with the Massachusetts Environmental Policy Act (MEPA) unit and the Waterways Division of the Department of Environmental Protection (DEP) the prior month and that the state officials had told them that any attempt to build the new Woods Hole terminal building at an elevation lower than the Base Flood Elevation of 13 feet above sea level would be going in the opposite direction of what regulatory authorities were approving and would not be looked upon favorably. Mr. Lamson also reported that DEP Waterways had informed the Authority that there might be eelgrass offshore on the southern side of the property and suggested that the Authority conduct a survey, which Mr. Lamson stated was now scheduled to take place in July. Mr. Lamson also noted that the Authority expected to file its Enhanced Environmental Notification Form (ENF) by the end of July.

In response to a question from Mr. Hanover, Mr. Lamson stated that, if the Authority is unable to obtain a variance, the base elevation of the new terminal building will be around 13 feet above sea level, which is around seven feet higher than the surrounding property's current elevation. Mr. Lamson noted that the concept design for the new terminal was for the plaza around the building to be approximately 10 feet above sea level and then to have a series of ramps and stairs for customers to be able to access the building from the plaza. In this regard, Mr. Lamson observed that the Authority's inability to obtain a variance to construct the building at a lower elevation will simply make the building that much taller and make the design more of a challenge for the Authority's architect.

Improvements to the Authority's WiFi Service:

Ms. Claffey reported that the Authority was continuing to see improvements in the connectivity of its free WiFi service, that some tests had been completed on the Nantucket route which have improved customers' ability to connect to the WiFi without having to open their browsers, and that those tests would soon be conducted on the Martha's Vineyard route as well. Ms. Claffey also noted that customers with new devices were now connecting easily to the WiFi, while others with older devices were continuing to have trouble.

Maximo Maintenance Management Information System Upgrade:

Ms. Claffey then reported that the Authority was continuing to work on its punch list items for the upgrade of its maintenance management information system (Maximo) and that, while the items had presented more technical challenges than expected, the list was getting shorter. Ms. Claffey also reported that her department was meeting on a daily basis with the Engineering and Maintenance Department and that, as a result, the upgrade would be implemented soon.

Electronic Ticketing for Walk-on Passengers:

Ms. Claffey then reported that the Authority had started a pilot electronic ticketing program for walk-on passengers on the *M/V Iyanough*, and that iMarc had made some modifications to the Authority's mobile site so that customers can purchase their high-speed ferry passenger tickets on their mobile phones. Ms. Claffey stated that, while iMarc's changes still needed to be tested, she felt the Authority was making progress on this project.

Text Messaging for Wait List Matches and Trip Cancellations:

Ms. Claffey then reported that the Authority was now able to send text messages when a customer's wait list request is fulfilled to those customers who sign up for this option, but at the moment customers could sign up for that option only with a reservation clerk or a ticket seller. Ms. Claffey also reported that the Authority was in the testing stage for some changes to the website's profile screen that iMarc had made so that customers will also soon be able to sign up for the option online as well.

Ms. Claffey stated that the Authority similarly will soon be offering a text message option for customers who want to be notified in that manner whenever the Authority has travel alerts for trip cancellations, as soon as the Authority tests changes that iMarc has made to the website's "Join Email List" screen so that customers can sign up for the option online.

Reservation Wait List Improvements:

Ms. Claffey then observed that, currently, the Authority's wait list system processes wait list requests only once a day, at the end of the Authority's operating day, and then notifies customers if any of their wait list requests have been fulfilled. Ms. Claffey stated that the system will soon process wait list requests and notify customers as soon as each match occurs (namely, whenever another customer cancels or changes a reservation or when the Authority adds more capacity).

Ms. Claffey also observed that, currently, the Authority stops processing the wait list requests of customers traveling with automobiles 48 hours in advance of their scheduled departures, while the Authority continues to process the wait list requests of freight customers until 12:00 noon the day before their scheduled departures. Ms. Claffey stated that customers traveling with automobiles will soon also be given the option of having their wait list requests processed until 12:00 noon the day before their scheduled departures, as well as until 24 hours before their scheduled departures, but for those customers who do not choose one of those options, the Authority will continue to stop processing their wait list requests 48 hours before their scheduled departures.

In response to a question from Ms. Gladfelter about the Authority's plans to offer electronic ticketing for walk-on passengers, Ms. Claffey stated that the Authority would be offering electronic tickets only for its own ferries and not for the Peter Pan buses. In response to a question from Mr. Hanover, Ms. Claffey stated that the Authority's electronic tickets would be the same as electronic tickets sold by airlines and that, when a customer purchases a ticket, his or her phone will receive an email with a bar code that the customer can show at the dock to be scanned.

Grant Requirements for Funding for Electric Buses:

Mr. Rozum then recounted how the Authority last year had supported OLEV Technologies' application for a grant to fund the conversion of three new diesel buses to battery powered electric buses to be recharged via wireless inductive charging, but he noted that the Authority's support had been based upon OLEV receiving the grant and leasing the buses to the Authority for five years (after which the Authority would have the right to purchase the buses for a nominal amount). However, Mr. Rozum stated that the Massachusetts

Department of Energy Resources subsequently has stated that OLEV cannot be the recipient of the grant, and that only end-users of the buses (such as the Authority) can be recipients.

Mr. Rozum noted that, if the Authority were to receive the grant itself, it would then be financially responsible for the entire amount of the grant award (\$2,250,000) and for operating the buses for five years even if OLEV were unable to meet its responsibilities. In addition, Mr. Rozum said, the Authority would have to depreciate the amount of the grant over ten years, which, compared to buying operating three diesel buses, would increase the cost of service for the Martha's Vineyard route by \$165,000 per year (net of the estimated annual operating cost savings from this project). Mr. Rozum stated that, for these reasons, the staff had concluded that the Authority itself should not apply for a grant to fund the acquisition of these electric buses.

Amendment to SeaStreak's Nantucket Dockage Agreement:

Mr. Lamson recounted how, at their April 2015 meeting, the Members had approved a dockage agreement with SeaStreak LLC for the use of the Authority's Nantucket dock in connection with its proposed pilot program for high-speed passenger ferry service from New York on the weekends of June 5-7 and 12-14, 2015. Mr. Lamson stated that, based on the amount of interest that was raised after only one weekend of providing the pilot service, SeaStreak had asked the Authority whether its dockage agreement could be amended to allow it to continue using the dock on weekends later this summer from the July 4th weekend through Labor Day. Mr. Lamson noted that, although the Port Council did not have an opportunity to consider SeaStreak's request (because it was submitted after the Port Council's June 3, 2015 meeting), the staff was still recommending that the Members approve it.

In response to a question from Mr. Hanover, Mr. Lamson stated that SeaStreak's new summer service between New York and Nantucket was a continuation of its summer service between New York and Oak Bluffs, and that SeaStreak will not carry any passengers between Oak Bluffs and Nantucket other than those passengers who already are traveling to or from New York.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to approve an amendment to the Authority's agreement with SeaStreak LLC to allow SeaStreak to use the Authority's Nantucket dock for additional weekends during the 2015 summer season, as recommended by management in Staff Summary #GM-660, dated June 11, 2015.

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

Proposed 2016 Winter, Early Spring and Spring Operating Schedules:

Mr. Lamson presented the preliminary version of the staff's proposed 2016 Winter, Early Spring and Spring Operating Schedules, as set forth in Staff Summary #GM-659, dated June 5, 2015, noting that the proposed schedules were being presented only for discussion purposes this month and that the staff will not be asking for approval of those schedules until the Members' next meeting on July 21, 2015. Mr. Lamson stated that the most significant changes being proposed by the staff were on the Nantucket route, where the staff was recommending that the freight boat on that route, which was crewed with two single crews this past Winter Schedule (January 6th through April 14th) be double-crewed from January 4th through March 15th next year (the proposed 2016 Winter Schedule) and then triple-crewed through April 11th (the proposed 2016 Early Spring Schedule). Mr. Lamson noted that, during the Winter Schedule, this would provide for two more scheduled round trips on Saturdays and two additional available round trips on Sundays and, during the Early Spring Schedule, a third weekday round trip and up to three additional round trips on Saturdays and Sundays.

Mr. Lamson also noted that, on the Nantucket route this past year from January 6th through March 15th, the Authority had provided ten additional freight trips on weekends (which is when a double crew would be available next year to make the trips), and only six additional weekday freight trips (which is when the Authority would need to bring in an additional crew next year), and during the 30 days from March 16th to April 14th this year, the Authority had

provided 14 additional weekday freight trips and four additional weekend freight trips, which would all be covered next year by a triple crew assigned to the boat. Mr. Lamson stated that, by having scheduled freight trips on Saturdays during the Winter and Early Spring Schedules, the staff expected that some freight customers will make reservations for those Saturday trips, which will open up more space for other customers on weekdays.

However, Mr. Lamson observed that the double crews' 12-hour work day during the proposed Winter Schedule would limit the Authority's flexibility in determining when the freight boat's trips sail during the day, which may mean that the freight boat might only be able to make one trip on a day after a winter storm due to the need for the crew to spend time shoveling snow from the boat before it can be loaded. In addition, Mr. Lamson said, the Authority would also no longer be able to hold the freight boat before it departs Nantucket.

Finally, Mr. Lamson stated that the proposed schedules and the staff summary describing them will be posted to the Authority's website so that they are available for public comment over the next month and that, after reviewing whatever public comments are received, the staff will present their final version of the proposed schedules for consideration and a vote by the Members at their July 21, 2015 meeting. Mr. Ranney then stated that he thought the proposed schedules looked very good. Mr. Hanover agreed, saying that he was glad to see the additional service because the Islands needed it.

2016 Budget Policy Statement:

Mr. Davis then reviewed with the Members the staff's proposed 2016 Budget Policy Statement that sets forth the guidelines the staff is to use when developing revenue and expense estimates for the Authority's 2016 Operating Budget. Mr. Davis noted that the proposed Budget Policy Statement would require the staff, among other things:

- To base the Authority's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2014 through July 2015), although the staff would include slightly increased revenue projections to the extent appropriate to reflect additional capacity being proposed during the winter and early spring schedules. In addition, slight adjustments to traffic statistics would be made to reflect the increased level of service that the staff will be proposing for later in the year and due to the substitution of the *M/V Woods Hole* for other vessels in the operating schedules.

- To base the Authority's projected vessel operating expenses in part on the staff's proposed winter/early spring/spring operating schedules plus an operating schedule the staff will be preparing for the latter half of the year.
- To identify significant terminal repairs and maintenance that will be needed.
- To schedule the vessels that will be dry-docked during 2016 (the *M/V Martha's Vineyard*, *M/V Eagle*, *M/V Sankaty* and the *M/V Iyanough*). In addition the staff will endeavor to coordinate the *M/V Martha's Vineyard* dry-dock into the planned mid-life refurbishment of that vessel in the fall of 2016.
- To assume that existing job vacancies will be filled while staffing requirements for the Information Systems group will be evaluated and adjusted accordingly.
- To reflect efficiencies that the Authority expects to gain with the consolidation of the Falmouth area satellite parking lots to the new parking facility off of Thomas B. Landers Road.
- To take into account the Authority's expected training expenses due to the continuation of STCW basic training, Marine Evacuation Slide (MES) training and other programs.
- To assume that information systems technologies will be used to improve customer service and reduce operating costs.
- To continue maintaining the same types of advertising, although each of the types will be re-evaluated to determine the appropriate mix of media usage.
- To assume that the Authority's employees will continue to contribute 20% of the cost of their health care coverage, and that the Authority will make any changes in coverage required by the Affordable Care Act.
- To include any costs incurred by the Authority to provide paid sick time to seasonal employees as required by the new Massachusetts Earned Sick Time Law.

- To take into account the changes in Hy-Line's license fee formula when projecting what the Authority's license fee income will be from all of its licensed private ferry operators.

Noting that one of the Authority's more significant operating expenses is vessel fuel oil, Mr. Davis stated that, as for the past few years, the budgeted cost of vessel fuel oil in the 2016 Operating Budget will be based upon next year's cap prices or the then-current forecasts for oil prices during 2016 (plus the premium cost of the hedging program), whichever is lower. Mr. Davis observed that the barrel price of crude oil was then trading in the \$55 - \$65 range while a year ago at this time crude oil was trading in the \$100 - \$105 range. Further, Mr. Davis said, the Authority's hedge program for expected vessel fuel consumption already had been executed for the entire 2016 calendar year with an average cap price of \$2.72 per gallon and that, by comparison, this year's average budgeted cost for vessel fuel was \$3.41 per gallon.

After stating that the proposed Budget Policy Statement would also require the staff to make all efforts to avoid the need for any additional rate increases, Mr. Davis reported that, at their meeting earlier this month, the Port Council had voted to recommend that the Members approve the staff's proposed Budget Policy Statement. Finally, Mr. Davis said, after the staff prepares a preliminary budget using these guidelines, it will be presented to the Members for discussion at their September meeting, and a final version of the budget will then be presented for the Members' approval at their October meeting.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to approve the management staff's proposed 2016 Budget Policy Statement in the form attached to Staff Summary #A-586, dated June 11, 2015.

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

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed all of the items that the Members had considered that day. Mr. Huss further reported that:

- Mr. Lowell had suggested that the Authority forward progress reports on the construction of the *M/V Woods Hole* to local newspapers and other interested parties.
- The Port Council had voted to recommend that the Authority not pursue any grants for electric buses for the reasons stated earlier in the meeting by Mr. Rozum.
- The Port Council had reviewed the staff's proposed 2016 Winter, Early Spring and Spring Operating Schedules and thought they were very good.
- Mr. Davis was looking into the Authority's insurance renewals and, in response to the Port Council's view that certain coverages might be a little low in some areas, he will be discussing those coverages with the Authority's insurance carriers and will get back to the Members at their next meeting.

Finally, Mr. Huss stated that the Port Council members had given their individual evaluations of Mr. Lamson's performance over the past year and that each of them was of the opinion that Mr. Lamson had done a fantastic job. As a result, Mr. Huss said, the Port Council also had voted to recommend that the Members give Mr. Lamson a salary increase in a range between 2.5% and 4.5%.

Performance Evaluation of the General Manager:

After Ms. Gladfelter announced that each of the Members would give his or her individual evaluation of Mr. Lamson's performance over the past year, Mr. Hanover stated that he believed that Mr. Lamson's performance on all of his goals had been excellent except for the improvements to the Authority's free WiFi service and electronic ticketing for walk-on passengers, which he did not feel had been handled in a timely fashion. Mr. Hanover also stated that, with respect to the negotiations for the renewal of the Authority's lease of the back Woods Hole parking lot, the Town of Falmouth still had to decide how it wanted

to proceed. With respect to the elements of management, Mr. Hanover declared that Mr. Lamson had exceeded expectations in all categories and that he could not imagine anyone doing a better job. Finally, with respect to Mr. Lamson's management of the Authority's operations, Mr. Hanover stated that he had given Mr. Lamson a rating of 100%, observing that he has always been a big fan of Mr. Lamson and that Mr. Lamson has never let him down.

Mr. Ranney declared that he echoed a lot of what Mr. Hanover had just said and that he similarly was very pleased with Mr. Lamson's performance. Although he had given Mr. Lamson a 93% rating with respect to his goals and objectives, Mr. Ranney stated that Mr. Lamson nevertheless far exceeded expectations on most of those items and is continuing to work on the others where there remains room for improvement. Mr. Ranney further stated that he had given Mr. Lamson all high marks on the management-related issues and that, with respect to the management of the Authority's operations, had given him a rating of 99%. Mr. Ranney stated that his only area of concern was his observation that there is often a disconnect between management and the employees, but that overall he felt Mr. Lamson was doing a fantastic job.

Mr. O'Brien also declared that he echoed what Messrs. Hanover and Ranney had said, that he had given Mr. Lamson a rating of only 93% with respect to his goals and objectives because the Authority had not yet implemented electronic ticketing for walk-on passengers or new procedures for improving routine vessel and terminal maintenance work, but that with respect to the elements of management and the management of the Authority's operations, he had given Mr. Lamson 100% because he found Mr. Lamson to be truly outstanding and could find no fault with him. Mr. O'Brien stated that the Authority was extremely fortunate to have such a capable and knowledgeable manager, that Mr. Lamson has a unique ability to calmly handle whatever comes along no matter how complex, that Mr. O'Brien has never had a concern about the Authority's overall management, and that it is a distinct pleasure knowing that Mr. Lamson is at the helm.

Ms. Gladfelter then stated that she thought Mr. Lamson was doing a fantastic job and that, with respect to his goals and objectives, the ongoing issues were the electronic ticketing, the selection of a site for the Authority's administrative offices, and the renewal of the Authority's lease with the Town of Falmouth for the back Woods Hole parking lot, although Mr. Lamson had tried valiantly to move those negotiations forward. Ms. Gladfelter also stated that two aspects of Mr. Lamson's management style which have been most evident to her over the past several months were respect and communication, and that those attributes, combined with Mr. Lamson's calm demeanor, establish the correct tone for the Authority. Ms. Gladfelter further observed that every

month the Members receive clear information about all of the matters pending before them and the staff's responses to requests for information were almost instantaneous. Finally, Ms. Gladfelter said, Mr. Lamson has a good sense of humor, which she said is an important trait often overlooked these days.

Mr. Lamson thanked the Members for their kind remarks and stated that, although he appreciated the positive feedback, there is always room for improvement and that hopefully he and the staff will be able to continue their good work with the Members' support and guidance. Mr. Jones then reported that the Port Council similarly had given Mr. Lamson high marks on their evaluations and had also suggested that he receive a salary increase.

Recognition of Public Officials:

The Members then took the opportunity to recognize Nantucket Town Manager C. Elizabeth ("Libby") Gibson in the audience.

Public Comment:

In response to a question from *Nantucket Inquirer & Mirror* reporter Joshua Balling, Mr. Lamson stated that SeaStreak brought 15 passengers from New York to Nantucket the first weekend it started its pilot service and more than 40 passengers the second weekend, and that it quickly began receiving calls from people who were interested in taking the ferry later this summer. After Mr. Lamson also stated, in response to a question from Mr. Hanover, that SeaStreak's vessel goes to New Bedford empty each Friday night after dropping off its passengers on Nantucket, and then returns empty to Nantucket each Sunday to begin its trip back to New York, Ms. Tierney asked whether SeaStreak might also be interested in providing ferry service between New Bedford and Nantucket. In response, Mr. Lamson stated that he would ask SeaStreak whether it would consider providing such a service next year.

At approximately 10:52 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters and contract negotiations with nonunion personnel, including:

- the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot;
- the renewal of the Authority's Leases with the Barnstable Municipal Airport Commission for two parking lots on Brooks Road and Mary Dunn Way in Hyannis;
- the potential acquisition of additional property in Falmouth and Hyannis;
- negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Services Department employees;
- negotiations with the unions of all the Authority's represented employees regarding the implementation of the Massachusetts Earned Sick Time law;
- the proposed July 2015 salary increases for nonunion personnel; and
- the Authority's employment contract with Mr. Lamson.

After Ms. Gladfelter announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions, she stated that the Members may also conduct contract negotiations with Mr. Lamson in executive session. Ms. Gladfelter then stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and announced that the Members would reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the Authority's strategy with respect to collective bargaining matters and contract negotiations with nonunion personnel, and to conduct contract negotiations with the General Manager, Wayne C. Lamson.

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

At approximately 11:59 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Marc N. Hanover of Dukes County (who participated remotely by telephone conference call); Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable. Port Council Chairman Robert R. Jones of Barnstable and Port Council Vice Chairman Robert V. Huss of Oak Bluffs were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Proposed Salary Increases for Nonunion Personnel:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to approve the 2015 salary program for the Authority's unrepresented employees, as proposed by management in Staff Summary #HR-15-45, dated June 3, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

Ms. Tierney abstained from voting on the approval of the 2015 salary program for the Authority's unrepresented employees.

Contract Negotiations with the General Manager:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to increase Wayne C. Lamson's salary by four percent (4%) effective July 1, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Mr. Hanover	35 %	
Ms. Gladfelter	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	<u>10 %</u>	<u> </u>
TOTAL	90 %	0 %

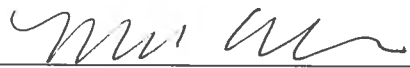
Ms. Tierney abstained from voting on Mr. Lamson's salary increase.

Then, at approximately 12:01 p.m., Ms. Gladfelter stated that she would entertain a motion to adjourn the meeting.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to adjourn the meeting.

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, June 16, 2015

**The Whaling Museum, Discovery Room
15 Broad Street, Nantucket, MA**

- 1. Agenda**
- 2. Minutes of the May 14, 2015 Meetings in Public Session**
- 3. Business Summary for the Month of April, 2015**
- 4. Staff Summary #TPF 2015-5 dated June 9, 2015 – Status Update regarding OLEV Technology and the “MA Clean Vehicle Project PON-ENE-2014-039” grant**
- 5. Staff Summary #GM-660 dated June 12, 2015 – Request from SeaStreak to Amend Their Dockage Agreement in Connection with a Pilot Program to Provide Service from New York to Nantucket from July 4th Weekend Through Labor Day Weekend**
- 6. Staff Summary #GM-659 dated June 5, 2015 – Preliminary Version of the Proposed 2016 Winter, Early Spring and Spring Operating Schedules**
- 7. Staff Summary #A-586 dated June 11, 2015 – 2016 Budget Policy Statement**
- 8. June 3, 2015 Port Council Minutes**
- 9. Memo dated May 21, 2015 - Performance Evaluation of the General Manager**
- 10. April 1, 2015 Port Council Minutes**
- 11. Staff Summary #GM-656 dated April 14, 2015 – Release to the Public of Portions of Executive Session Minutes**
- 12. Engineering & Maintenance Capital Project Updates**

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

The Meeting in Public Session

July 21, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of July, 2015, 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 Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Vice Chairman Robert V. Huss of Oak Bluffs and Port Council Secretary 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; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Director of Marketing Kimberlee McHugh; Director of Terminal and Parking Operations Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Vineyard Haven Terminal Manager Richard Clark; Oak Bluffs Terminal Manager Bridget Tobin; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on June 16, 2015.

<u>VOTING</u>	<u>AYE</u>	<u>NAY</u>
Ms. Gladfelter	10 %	
Ms. Tierney	10 %	
Mr. Ranney	35 %	
Mr. O'Brien	10 %	
TOTAL	65 %	0 %

Mr. Hanover abstained from voting on the minutes of the Members' June 16, 2015 meeting in public session.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for May 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 11.5%), more automobiles (up 3.5%) and more trucks (up 2.7%) during the month than it had carried during the same month in 2014. Mr. Lamson also noted that the Authority had seen a 19.4% increase in ridership on the *M/V Iyanough* in May 2015 compared to the same month last year.

Mr. Lamson also reported that the Authority's operating revenues and other income were \$520,000 higher in May 2015 than projected, and that its operating expenses and fixed charges were \$332,000 higher than budgeted. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$1,646,000, approximately \$188,000 higher than projected.

Mr. Lamson further reported that, for the first five months of 2015, the Authority's operating revenues and other income had been around \$820,000 higher than projected, its operating expenses and fixed charges had been around \$1,402,000 lower than budgeted (of which \$1,027,000 was due to vessel fuel oil expenses being lower than budgeted) and, as a result, the Authority's net operating loss had been around \$8,992,000, approximately \$2,222,000 lower than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson noted that the Authority's cash balance in its Operations Fund at the end of May 2015 had been closer to the amount that had been projected in the 2015 Operating Budget after the Authority had transferred \$4,374,000 of its recent bond proceeds to the fund to reimburse it for progress payments that had been made from the fund for the construction of the *M/V Woods Hole*. Mr. Lamson further noted that, at the end of May 2015, the Authority still had to transfer more money to the Operations Fund to reimburse it for additional disbursements that had been made from the fund to pay for other capital projects. Mr. Lamson stated that those additional transfers had been made in June 2015, so the business summary for that month will show an ending cash balance in the Operations Fund that is higher than projected.

In response to a question from Ms. Tierney, Mr. Lamson stated that he could not identify a reason why the Authority's ridership on the *M/V Iyanough* was up by nearly 20% through May of this year, although he thought it was a reflection of the Authority's advertising program working. Mr. Lamson also noted that the Authority was continuing to promote a \$50 round-trip fare on the *M/V Iyanough* on Mondays through Thursdays.

In response to a question from Mr. Hanover, Mr. Lamson stated that, on an annual basis, around 60% of the Authority's vessel fuel oil is consumed on the Nantucket route. Accordingly, Mr. Lamson said, approximately \$400,000 of the \$1,027,000 savings in the Authority's vessel fuel oil expense through May 2015 would be allocated to the Martha's Vineyard route.

Recognition of Public Officials:

Mr. Hanover recognized Leon Brathwaite, Chair of the Dukes County Commission, in the audience.

Construction of the *M/V Woods Hole*:

Mr. Walker reported that the construction of the *M/V Woods Hole* was progressing well and on schedule; that the bow thruster was installed a few weeks ago, and that Conrad Shipyard was planning to float the hull on a barge and flip it at the end of September. Mr. Walker also reported that the Becker rudders and propulsion equipment for the vessel are due to arrive in October, so Conrad might install the underwater equipment in the dry-dock at its downriver shipyard in Amelia, Louisiana, around February of next year or later this year, in which event Conrad would then tow the vessel back to its Morgan City shipyard for the erection of the final modules except for the pilothouse, crew space, antennae and stacks.

However, Mr. Walker noted that the vessel's bulbous bow is not in place and the company fabricating it is behind schedule. Mr. Walker stated that, while this had not affected the vessel's construction schedule and everything was progressing as planned, it was one of the areas of concern and he would be traveling to meet with that company the following Tuesday in Mobile, Alabama.

In response to a question from Mr. Hanover, Mr. Walker stated that the bulbous bow will not adversely affect the vessel's ability to connect with the Authority's transfer bridges when docked in the slips, as the bulbous bow does not extend beyond the bow that is above the water.

Thomas B. Landers Road Parking Facility:

Mr. Walker reported that the Authority's new consolidated parking lot on Thomas B. Landers Road had been operational since June 25th, and that the Authority had received an occupancy permit for the building there. Mr. Walker also reported the porous asphalt that was used as pavement for the parking spaces works very well as a stormwater management system, but that the Authority has had some problems with the impervious pavement that was used for the ring road that its customers and shuttle buses use to travel around the lot. Accordingly, Mr. Walker said, the staff was looking to mitigate that runoff by installing catch basins and drywells.

Mr. Jones then recounted how several Port Council members had personally witnessed the phenomenal performance of the porous asphalt earlier this month during a heavy thunderstorm with torrential rains and a tornado warning. Mr. Jones stated that, while they saw rivers of water on the ring roads during the storm, the water simply disappeared into the porous asphalt.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker reported that the new modular building at the Authority's Fairhaven Vessel Maintenance Facility will be substantially completed by the end of July to allow the Authority to set up its shops inside the building and move its stockroom there from Woods Hole during the first two weeks in August. Mr. Walker also reported that the building will be fully completed by August 21st so that the Authority can then move into the office there.

Mr. Walker stated that the landscaping had been completed and that a wooden fence alongside the neighbor's property to the south was being installed that week. Mr. Walker also noted that, until the building is finished, the Authority was storing items outside under a canopy.

Vineyard Haven Terminal Traffic Circulation Project:

Mr. Lamson then reported that the traffic circulation improvements at the Authority's Vineyard Haven terminal had been completed and that they generally were being well received.

Palmer Avenue Parking Lot Improvements:

Mr. Walker then reported that the new modular office building at the Authority's Palmer Avenue parking lot had been completed. In response to a question from Mr. Hanover, Mr. Walker stated that Avis/Budget had been operating out of the building since July 3rd, and that the Authority was in the process of moving its parking lot operations there from their old office.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority had received the geotechnical report with respect to the borings that were taken earlier this year in the areas of the proposed offshore structures for the new ferry slips and the landside terminal building at the Authority's Woods Hole terminal. Mr. Lamson stated that because the offshore borings have shown that there are a number of boulders underground under the water, the Authority will be using ground penetrating radar later this year to determine more accurately the size and location of those boulders. Mr. Lamson also stated that the onshore borings have shown that there is a five-foot layer of peat around 20 feet below ground where the terminal building is going to be located. Therefore, Mr. Lamson said, the Authority will need more borings in that location later this year in order to appropriately design the building's foundation.

Mr. Lamson also reported that the staff had selected a tentative location at the Authority's Palmer Avenue parking lot for the new administrative office building. Mr. Lamson stated that Bertaux + Iwerks Architects had prepared a concept rendering placing the building just to the south of the parking lot's old entrance and exit, beginning where the barn currently is located and extending west away from Palmer Avenue. After observing that the barn is in pretty bad condition, Mr. Lamson noted that the Authority will probably have to replicate it with a new building of similar proportions, and then connect it to the rest of the building, which would be 2-1/2 stories, so that the larger part of the

building is farther away from Palmer Avenue. Mr. Lamson also noted that there would be employee and visitor parking around the building, which could then be used by the Authority's customers during the weekends.

Mr. Lamson acknowledged that the Authority would be losing a number of customer parking spaces at the Palmer Avenue lot because of the new administrative office building, but he noted that the Authority could enlarge the parking area on the west side of the Shining Sea Bikepath by digging into the hill there and hopefully recovering the same number of spaces. In this regard, Mr. Lamson recounted how the Authority had stated in its Environmental Notification Form for this project that it was adding 500 parking spaces at this site, but it ended up adding only around 350, leaving it well below what was originally intended.

In response to a question from Mr. O'Brien, Mr. Lamson stated that Falmouth Amvets Post #70 was not in a position to move to another location, as a tenant had signed a one-year lease for the property it wanted with an option to purchase that property as well. Meanwhile, Mr. Lamson said, the Authority has to move ahead with its plans to reconstruct the Woods Hole terminal, which can only commence after the Authority moves its General Offices out of Woods Hole.

Improvements to the Authority's WiFi Service:

Ms. Claffey reported that the Authority was continuing to make upgrades to its free WiFi service and, as a result, was seeing increased usage of the service. Ms. Claffey also noted that, when the staff hears from customers who are still having difficulty connecting to the WiFi, employees from the Authority's Information Technologies Department work with them to try to solve whatever issues they are encountering.

Maximo Maintenance Management Information System Upgrade:

Ms. Claffey then reported that the Authority had finished the upgrade process for its Maximo maintenance management information system the prior month and that a group of Engineering and Maintenance Department employees have been using the upgraded system since then. Ms. Claffey stated that, after those employees became comfortable with its performance, the Authority had opened the system up to the remaining employees who are going

to be using it. Ms. Claffey also noted that the staff was now focused on putting the computer tablets to good use, and the Authority will start training classes for its employees who will be using the tablets around the end of August.

Electronic Ticketing for Walk-on Passengers:

Ms. Claffey reported that the Authority had made its way through several of the issues it encountered while scanning customers' high-speed ferry tickets. (For example, Ms. Claffey said, the Authority has had difficulty scanning tickets on certain smart phones with screens that are less bright.) Ms. Claffey also reported that iMarc is resolving issues with respect to the changes it had made to the Authority's mobile website so that customers can purchase high-speed passenger ferry tickets on their smartphones.

Text Messaging for Wait List Matches and Trip Cancellations:

Ms. Claffey reported that the Authority's customers are now able to sign up to receive text messages when the Authority fulfills a customer's wait list request or sends out a trip alert. Observing that this was a huge improvement in customer service, Mr. Hanover asked that all of the Authority's customers be informed of this development. In response, Mmes. Hughes and Claffey noted that customers could be informed not only through the Authority's e-news, but also through advertisements, the issuance of a press release, and printing the information at the bottom of reservation confirmations.

Reservation Wait List Improvements:

Ms. Claffey then reported that the Authority's wait list system had been changed so that it now processes wait list requests and notifies customers as soon as each match occurs (namely, whenever another customer cancels or changes a reservation or when the Authority adds more capacity), instead of waiting to notify those customers the following morning. Ms. Claffey stated that the Authority was also working on changes to the wait list system that will allow customers the option of having their wait list requests processed until 12:00 noon the day before their scheduled departures, as well as until 24 hours before their scheduled departures, instead of only 48 hours before their scheduled departures.

2016 Winter, Early Spring and Spring Operating Schedules:

Mr. Lamson asked the Members to approve the staff's proposed 2016 Winter, Early Spring and Spring Operating Schedules, as set forth in Staff Summary #GM-661, dated July 16, 2015, noting that they were essentially were the same schedules that the staff had tentatively proposed last month. Mr. Lamson stated that the only changes from this past year's schedules are during the Winter schedules, as follows:

- This past winter, the freight boat on the Nantucket route was crewed with two single crews (January 6th through April 14th). Next year it would be double-crewed from January 4th through March 15th (the 2016 Winter Schedule) and then triple-crewed through April 11th (the 2016 Early Spring Schedule). During the Winter Schedule, this would provide for two more scheduled round trips on Saturdays and two additional available round trips on Sundays and, during the Early Spring Schedule, a third weekday round trip and up to three more round trips on Saturdays and Sundays.
- This past winter, the freight boat on the Martha's Vineyard route was single-crewed (January 6th through April 14th). Next year it would be triple-crewed beginning March 16th through April 11th, thereby providing for up to three additional round trips with the freight boat each weekday and up to seven round trips on weekends during that period without the need to pay any overtime or call in additional crews.

Mr. Lamson stated that the estimated cost of this additional service for both routes was around \$200,000, without taking into account any additional revenues that the Authority might receive due to the additional service.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the 2016 Winter, Early Spring and Spring Operating Schedules as proposed by management in Staff Summary #GM-661, dated July 16, 2015.

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

Changes to the Authority's "Blue Line" Policy:

Mr. Lamson then asked the Members to approve certain changes to the Authority's "Blue Line" policies. Mr. Lamson recounted how, last month, the Authority had sent out an e-newsletter informing customers about the "Blue Line," which is the vehicle standby line at the Woods Hole terminal and the Vineyard Haven terminal during "reservation only" days for customers who are eligible for preferred reservations, and how the e-newsletter had noted, in accordance with Authority policy, that only fifteen vehicles per day are allowed into the "Blue Line." However, Mr. Lamson said, a customer alerted him to the fact that often the terminal agents allow more than fifteen vehicles per day to use the "Blue Line" and the staff felt that the Authority's policy should be revised to reflect its actual practice.

But Mr. Lamson cautioned the audience that the availability of the "Blue Line" may still be suspended or halted at any time during the day at the discretion of the agent on duty, and that customers who use the "Blue Line" are not guaranteed to travel that day and, if they do not travel by the end of the day, are required to leave the property when the terminal closes for the night and not given any priority for boarding the following day. Mr. Lamson also noted that customers who use the "Blue Line" must not have a confirmed reservation (or, if they do have a confirmed reservation, must be willing to forego it), and vehicles used for commercial purposes are not eligible for the "Blue Line."

Mr. Lamson stated that, for the first two weeks in July, an average of five customers had used the "Blue Line" each day at the Woods Hole terminal, fewer customers had used it at the Vineyard Haven terminal, and the highest number of customers who had used it on any one day had been fifteen. In response to a question from Ms. Gladfelter, Mr. Lamson stated that all of those customers who had used the "Blue Line" had gotten to their destinations the same day, which prompted Ms. Gladfelter to observe that, while traveling in the "Blue Line" may not be much of a risk now, it could become riskier if more customers started to use it.

The Members then discussed the other ways that Authority customers have to travel when they have not been able to obtain a vehicle reservation, including putting themselves on the wait list and trying again to obtain a reservation the day before they want to travel, as 70 additional "preferred" spaces become available to island residents early that morning and then to the general public later that day. The Members also observed that customers can try to obtain reservations the same day they want to travel, either by calling the

Reservation Office or by making them online or by using the Authority's mobile website.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve the changes to the Authority's "Blue Line" policy as proposed by management in Staff Summary #TPF-2015-7, dated July 14, 2015.

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

Calendar Year Seasonal Parking Permits:

Mr. Lamson recounted how at their April 21st meeting, the Members had approved changing the Authority's annual parking permits, which historically have been valid from May 15th each year through May 14th of the following year, so that they are now valid on a calendar year basis. But Mr. Lamson noted that the staff had not asked the Members for approval to change the seasonal parking permits which are valid beginning September 15th so that they similarly expire on December 31st, and that the staff was correcting that oversight today. Mr. Lamson also stated that, if the Members approved changing the term of the seasonal parking permits so that they are valid from September 15th through December 31st, the prorated price for a Falmouth off-season permit would be \$200 and \$220 for a Hyannis off-season permit.

Mr. Lamson also noted that students who want to park their cars in the Authority's parking lots for an entire academic year would need to buy two seasonal parking permits, one from September 15th through December 31st and another from January 1st through May 15th. Mr. Lamson stated that the Authority would also continue to adjust the beginning and ending dates of the off-season permits for students to coincide with their academic years. In response to a question from Mr. Ranney, Mr. Rozum stated that students simply need to provide documentation of the dates of their semesters in order for the Authority to establish them on a case-by-case basis. Mr. Rozum also

noted that this past year there had been seven students who had off-season permits to park in the Authority's Palmer Avenue parking lot.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve the changes to the Authority's Falmouth and Hyannis off-season parking permits as proposed by management in Staff Summary #TPF-2015-6, dated July 14, 2015.

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

SeaStreak's Request to Provide High-Speed Passenger Ferry Service between New Bedford, Oak Bluffs and Nantucket:

Mr. Sayers recounted how, at the Members' last meeting, Ms. Tierney had asked whether SeaStreak, LLC (which provides high-speed passenger ferry service between New Bedford and Martha's Vineyard on a summer seasonal basis) might be interested in also providing service between New Bedford and Nantucket, and how Mr. Lamson said that he would ask. Mr. Sayers stated that it turns out that SeaStreak is interested in providing this additional service and has proposed running two round trips between New Bedford and Nantucket (by way of Oak Bluffs) on a daily basis next year from May 27, 2016 through September 6, 2016, and three trips on the Saturdays and Mondays of the three holiday weekends (Memorial Day, Independence Day and Labor Day). Mr. Sayers noted that, by making stops at Oak Bluffs, this additional service will also allow people on Martha's Vineyard to take a day trip to Nantucket (with more than seven hours there) and people on Nantucket to take a day trip to Martha's Vineyard (with 4-1/2 hours there).

Mr. Sayers also observed that Hy-Line has been providing inter-island passenger ferry service since 1989 and that, until 2006, it operated three daily round trips between the islands, which also allowed people on each island to make a day trip to the other island, but it then reduced its level of service

between the two islands to only one daily high-speed round trip on the *M/V Lady Martha*. Mr. Sayers also stated that Hy-Line informed the Authority that day that it intends to submit a request for an increase in its inter-island service for the remaining two years of its license agreement (2016 and 2017).

Mr. Sayers stated that, in accordance with the Authority's Licensing Policy, unless the Members directed otherwise, the staff intended to schedule public hearings on the proposed additional service in Nantucket, New Bedford and Oak Bluffs, to publish notice of the hearings in the local newspapers, and send copies of the notice directly to each ferry operator providing seasonal service to the islands, to local public officials (including the local planning agencies) of the ports served by the proposed service, and to other interested persons and, after the hearings and receiving public comment, to provide the Members with their analysis as to whether, in their opinion based upon the information received, SeaStreak and/or Hy-Line has sustained the burden of demonstrating that:

- (a) the requested service is required by public convenience and necessity; and
- (b) SeaStreak and/or Hy-Line has the fitness and ability to provide the proposed service.

Mr. Sayers noted that the Members will then be asked to consider the requests at a public meeting, although they will not be bound by the staff's recommendation or analysis. Rather, Mr. Sayers said, the Members shall be free to approve or deny either or both of the requests for reasons which they believe to be in the public interest and upon such terms and conditions which they feel are necessary and appropriate to protect the public interest.

Ms. Tierney stated that she thought the Authority should follow the process, and the other Members agreed. Ms. Gladfelter also stated that she liked the idea of the proposed additional service, and she asked Mr. Sayers to provide information about how many passengers are currently traveling between New Bedford and Martha's Vineyard and the maximum number of passengers that SeaStreak could carry under its proposed additional service.

Hy-Line's Vice President of Operations R. Murray Scudder, Jr. stated that he looked forward to the opportunity of meeting all of the Members, noting that Hy-Line has been providing the inter-island service since 1989 after the Authority had provided it on a limited basis and then a private operator had tried but stopped and left the area. Mr. Scudder also observed that nobody

wants to travel on slower ferries any longer and that Hy-Line now only provides one high-speed inter-island trip per day from each island.

Mr. Scudder also stated that Hy-Line was excited to propose an expansion of its inter-island service, and absolutely embraced the opportunity to get more service between New Bedford and Oak Bluffs. But Mr. Scudder stated that Hy-Line opposed SeaStreak providing any ferry service between Martha's Vineyard and Nantucket, observing that two years still remained on its inter-island license agreement and that Hy-Line can provide service from the mainland to the islands.

SeaStreak Vice President Jack Bevins stated that it was not SeaStreak's intent to go after Hy-Line's business, but rather SeaStreak was looking to develop a new market. Mr. Bevins also noted that SeaStreak has the vessels available with a capacity of 149 passengers to provide the service without the need for anyone to transfer vessels, and that SeaStreak would be willing to work with Hy-Line.

Potential Assignment of the *M/V Woods Hole*
Beginning with the 2016 Summer Schedule:

Mr. Lamson noted that, the following month, the staff will be providing the Members with the preliminary versions of their proposed 2016 Summer and Fall Operating Schedules that will include their recommendation as to when the *M/V Woods Hole* should operate on the Martha's Vineyard route or the Nantucket route during those two operating schedules. Mr. Lamson then described many of the factors that the staff was considering while developing their recommendation, as follows:

- (a) Assigning the *M/V Woods Hole* to the Martha's Vineyard route during the 2016 Summer Season.

Mr. Lamson stated that, if the *M/V Woods Hole* were assigned to the Martha's Vineyard route during the 2016 Summer Season, the staff would recommend that it replace the *M/V Sankaty* on its current schedule (which begins and ends each day going to Vineyard Haven and goes to Oak Bluffs during the middle of the day), that the *M/V Sankaty* replace the *M/V Governor* on its current schedule, and that the *M/V Governor* be retired. Mr. Lamson noted that:

1. This would increase the route's vehicle capacity by 70 "car equivalent" spaces per day in each direction (*M/V Woods Hole* compared to the *M/V Governor*).
2. This would increase the route's passenger capacity by 125 passengers for each trip of the *M/V Woods Hole* (compared to the *M/V Governor*).
3. There would be better passenger amenities on the *M/V Woods Hole* compared to the *M/V Governor*.
4. More trucks could be carried to and from Oak Bluffs during the day (diverting them from Five Corners in Vineyard Haven) and the trucks would not need to turn around and back up on the Oak Bluffs dock.
5. The *M/V Woods Hole* ideally would be berthed overnight in Woods Hole to handle any outstanding punch list items with the new vessel.

But Mr. Lamson observed that the Nantucket route would not benefit in any way from the addition of the *M/V Woods Hole* to the fleet, and it would continue to lack needed truck spaces on vessels leaving Hyannis early in the morning (due to height restrictions and the lack of center truck spaces on the *M/V Nantucket*). Mr. Lamson stated that the availability of center truck spaces is not as critical on the Martha's Vineyard route because of the frequency of trips and shorter travel time on that route. (By comparison, Mr. Lamson said, six trips arrive on Martha's Vineyard by 9:00 o'clock each morning, while only two trips arrive on Nantucket by that time.)

- (b) Assigning the *M/V Woods Hole* to the Nantucket route during the 2016 Summer Season.

Mr. Lamson the stated that, if the *M/V Woods Hole* were assigned to the Nantucket route during the 2016 Summer Season, the staff would recommend that it replace the *M/V Nantucket* on its current schedule, that the *M/V Nantucket* provide service on the Martha's Vineyard route in place of the *M/V Sankaty* (which begins and ends each day going to Vineyard Haven and goes to Oak Bluffs during the middle of the day), that the *M/V Sankaty* replace the *M/V Governor* on its current schedule, and that the *M/V Governor* be retired. Mr. Lamson noted that:

1. This would increase the available truck spaces on vessels leaving Hyannis early in the morning (because the *M/V Woods Hole* can carry more trucks than the *M/V Nantucket*), thereby creating a more favor-

able schedule for freight shippers on the Nantucket route and opening up more spaces on that route for automobiles later in the day. In addition, having more trucks arrive on Nantucket earlier in the morning would mitigate traffic congestion in downtown Nantucket during the afternoon.

2. Operating the *M/V Nantucket* on the Martha's Vineyard route and retiring the *M/V Governor* would increase that route's vehicle capacity by 70 "car equivalent" spaces per day in each direction.
3. This would also increase the passenger capacity on the Martha's Vineyard route by 500 passengers for each trip of the *M/V Nantucket* (compared to the *M/V Governor*).
4. Because of the *M/V Nantucket's* large passenger capacity, its trips could be included on the Authority's published schedules for the Martha's Vineyard route, which would spread out the passengers traveling on that route among more trips, thereby decreasing the peak loads of passengers on the *M/V Island Home* and the *M/V Martha's Vineyard*. This would also result in spreading out the passengers waiting for shuttle buses in Woods Hole, thereby allowing the Authority to make more efficient use of its shuttle buses and decreasing the customers' waiting time for them.

But Mr. Lamson also observed that replacing the *M/V Nantucket* with the *M/V Woods Hole* on the Nantucket route would decrease the passenger capacity on that route, as the *M/V Woods Hole's* passenger capacity is 384 less than the *M/V Nantucket's* passenger capacity. Mr. Lamson stated that, while the Authority currently has more than sufficient passenger capacity on the Nantucket route during the summer, next year Hy-Line is retiring the *M/V Great Point* and the Authority may not have sufficient passenger capacity with the *M/V Woods Hole* (instead of the *M/V Nantucket*) if the number of passengers traveling on the Authority's conventional ferries substantially increases due to Hy-Line's retirement of the *M/V Great Point*.

Mr. Lamson observed that the Authority will not know whether the *M/V Woods Hole* will provide enough passenger capacity on the Nantucket route until the summer of 2016 after the *M/V Great Point* is retired and passengers who otherwise would have travelled on that vessel choose to travel on one of the Authority's two conventional ferries or on the *M/V Iyanough* or on one of Hy-Line's two high-speed passenger ferries. As a result, Mr. Lamson said, for this and the other reasons discussed, the staff was leaning towards assigning the *M/V Woods Hole* to the Martha's Vineyard route during its initial summer

season, as that would give the Authority the opportunity to see what effect the retirement of the *M/V Great Point* has on the passenger demands on the Nantucket route. Mr. Lamson observed that, if the number of passengers carried on the Authority's conventional vessels substantially increases next summer as a result of the *M/V Great Point's* retirement, the *M/V Woods Hole* might not have enough passenger capacity to meet that demand.

In response to a question from Mr. Hanover, Mr. Lamson stated that the staff had looked at the potential passenger counts on the Nantucket route on a trip-by-trip basis for the months of July and August assuming that the passengers carried by Hy-Line on the *M/V Great Point* would travel with the Authority on its traditional ferries, and the counts were high enough to result in passenger cutoffs if the *M/V Woods Hole* were assigned to that route instead of the *M/V Nantucket*. Mr. Scudder then stated, also in response to a question from Mr. Hanover, that Hy-Line carries around 50,000 passengers on the *M/V Great Point* during July and August (and around 80,000 during the entire season), and that he thought the Authority would carry the lion's share of those passengers on its traditional ferries, as the difference in ticket prices for traditional ferries and high-speed ferries will be the same next year and, as a result, he did not see a movement in those passengers' mode of transportation.

Mr. Jones then reported that the Port Council had discussed this subject at length during their last meeting and observed that there will be trade-offs wherever the *M/V Woods Hole* is assigned. However, Mr. Jones said, the Port Council felt that the vessel should start its life on the Martha's Vineyard route, which would provide the Authority with the opportunity to know what effect Hy-Line's discontinuation of the *M/V Great Point* will have on the number of passengers carried by the Authority on that route. Mr. Jones stated that while everyone knows it will have an effect, the question was how much.

Treasurer's Report:

Mr. Davis reported that, during the month of June 2015, the Authority had carried more passengers (up 1.6%), more automobiles (up 1.4%) and more trucks (up 5.3%) than it had carried during the same month in 2014, and that for the first six months of 2015 the Authority's passenger traffic was up by 3.3%, its automobile traffic was down by 0.8%, and its truck traffic was up by 2.5% compared to the first six months of 2014.

Mr. Davis also reported that the Authority's operating revenues were expected to be \$265,000 higher in June 2015 than projected, that its operating expenses were expected to be \$55,000 lower than budgeted, and that, as a result, the Authority's net operating income for the month was expected to be around \$4,100,000, approximately \$300,000 higher than projected. Mr. Davis noted that the Authority's lower operating expenses were primarily attributable to lower vessel fuel oil costs, which were expected to be around \$342,000 below budget estimates for the month. Finally, Mr. Davis reported that, for the first six months of 2015, the Authority's net operating loss was expected to be around \$4,875,000, which was around \$2,500,000 lower than projected.

Dry-dock and Overhaul Services for the *M/V Nantucket*:

Mr. Lamson asked the Members to award Contract No. 12-15 for dry-dock and overhaul services for the *M/V Nantucket* to Senesco Marine, LLC of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a total contract price of \$1,047,228. Mr. Lamson noted that the *M/V Nantucket* is scheduled to go into the shipyard from September 9th through October 8th to undergo a required United States Coast Guard hull examination; machinery inspections; underwater hull cleaning and painting; removal, repair and reinstallation of sea valves, shafts, bearing, rudders, seals, couplings and propellers; hull plate replacements; painting above the rub rail guard; replacement of steering gear controls and hydraulics; freight deck surface preservation; main engine and generator exhaust repairs; starboard reduction gear inspection and service; boiler burner replacements; relocation of fuel shut-off valve; fan room louver installation; and bridge deck pipe cap replacement.

In response to a question from Mr. O'Brien, Mr. Walker stated that the Authority's track record with Senesco was very good, recounting how it had been out of the dry-docking business for a while but had been purchased by Reinauer Transportation Companies, LLC, to complete a construction project for Reinauer's own purposes. Mr. Walker stated that, a few years ago, Senesco then started bidding on the Authority's contracts and had been awarded two or three of them, and that all of those had gone well.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to award Contract No. 12-15 for dry-dock and overhaul services for the M/V Nantucket to Senesco Marine, LLC, of North Kingstown, Rhode Island, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$ 1,047,228.00, as recommended by management in Staff Summary #E 2015-03, dated July 16, 2015.

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

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed all of the items that the Members had considered that day. Mr. Jones also reported that Stuart Bornstein would be submitting an application to the Barnstable Planning Board to build a 33-unit condominium community comprised of nine buildings (and a swimming pool) on both sides of School Street adjacent to the Authority's Hyannis terminal, which could well have an impact on the Authority's Hyannis terminal.

Approval of the General Manager's Goals for
the Year July 1, 2015 through June 30, 2016:

Mr. Lamson stated that he had prepared a list of nine proposed goals for the upcoming year beginning July 1, 2015 through June 30, 2016 and that, at their meeting earlier that month, the Port Council had added a tenth goal to his list, as follows:

1. Oversee the timely completion of the construction and delivery of the *M/V Woods Hole* and her deployment into regular line service.

2. Arrange for the sale or other disposition of the *M/V Governor*.
3. Oversee the completion of the permitting phase for the proposed reconstruction of the Woods Hole terminal.
4. Oversee the site selection and building design process for the relocation of the Authority's administrative offices.
5. Oversee the building design phase for the temporary terminal building in Woods Hole.
6. Oversee the design and engineering in connection with the *M/V Martha's Vineyard* mid-life refurbishment project.
7. Oversee the implementation of electronic ticketing for walk-on passengers travelling on traditional ferries and improvements to the Authority's reservation wait list capabilities and electronic customer communications.
8. Develop and implement better planning and oversight procedures for the completion of routine vessel and terminal maintenance and repairs.
9. Develop a plan to upgrade or replace the Authority's computerized accounting system, including the extent to which the upgraded or new system should be integrated with the Authority's other computer programs (e.g., reservations system, point of sale ticketing system and Maximo).
10. Develop a plan for the Authority's fleet of vessels to ensure: (a) there is enough time each year for the Authority to accomplish each vessel's annual overhaul and maintenance work (including necessary dry-docks); (b) there is sufficient back-up service available at all times of year (but particularly during the summer) in the event a vessel needs to be taken out of service due to mechanical or other problems; and (c) the Authority's fleet is operated and maintained in the most efficient manner (with the Fairhaven Vessel Maintenance Facility being utilized in the best way for this purpose).

Mr. Lamson then noted that the staff already had begun working on the tenth proposed goal and were evaluating whether it would make sense for the Authority to retain the *M/V Governor* instead of disposing it after the arrival of the *M/V Woods Hole*. Mr. Lamson observed that, if the Authority were to continue operating the *M/V Governor* during the summer schedule, one of the other freight boats could then be overhauled during that time while another freight boat would still be available to provide back-up service on short notice. Mr. Lamson noted that this would then allow more time during the off-season

to overhaul each of the other freights and also ensure that there was a spare freight boat available for much of that time (except during the spring).

Mr. Lamson recounted how the Authority had received a recent valuation for the *M/V Governor* of \$300,000 and stated that its engines were worth more than that amount. Accordingly, Mr. Lamson said, if the Authority were not going to continue operating the vessel, it would make sense to take its engines out after the summer schedule and allow its Certificate of Inspection (COI) to expire. But Mr. Lamson stated that, if the Authority were to decide to continue operating the *M/V Governor* next year, it would be necessary to dry-dock the vessel in order to maintain its COI. In this regard, Mr. Lamson observed that while this year's budget did not include any amount to dry-dock the vessel, the Authority's financial results for the first six months of 2015 were significantly better than what had been projected and, as a result, the Authority could dry-dock the vessel this year without any need to increase rates.

Mr. Hanover stated that he thought keeping the *M/V Governor* for this purpose was a great idea, although he would like to know what it would cost over the next few years to maintain the vessel. In response, Mr. Lamson stated that it would cost around \$1,000,000 to dry-dock the vessel and that its subsequent maintenance expenses would be less. By comparison, Mr. Lamson said, it would cost the Authority far more to acquire another vessel within the next few years and, in any event, during that time the Authority will not have enough bonding capacity to do so without additional federal or state funding. Mr. Lamson therefore observed that continuing to operate the *M/V Governor* would provide the Authority with a little more time before it has to spend money to acquire another vessel.

Mr. Jones then stated that, while this appeared to be the way to achieve Mr. Lamson's proposed tenth goal, he would not recommend it because, after the *M/V Governor's* engines are removed to repower the *M/V Sankaty*, the vessel will be just scrap. In response, Mr. Lamson stated that, if the decision were made to continue operating the *M/V Governor*, the staff would have the vessel surveyed to make certain that enough hull plating is replaced during its dry-docking so that it will continue in safe operation for the next several years. Mr. Lamson also noted that the Authority's crews love the vessel, that it works well, and that it can transport a lot of cars on weekends during the summer. But Mr. Lamson repeated that he was not looking for an answer that day; rather, the staff would discuss the subject with the Port Council at their next meeting and then present the Members with the preliminary version of their propose 2016 Summer and Fall Operating Schedules next month.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve the General Manager's Goals for the Year July 1, 2015 through June 30, 2016 as set forth in a document from the General Manager dated July 15, 2015, except that the second goal is amended so that it includes exploring the potential retention of the *M/V Governor* as an active vessel as an alternative to arranging for its sale or other disposition.

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

Creation of an "Operations Manager" Position in lieu of a "Director of Terminals and Parking Facilities" Position:

Mr. Lamson then asked the Members to approve the creation of a new "Operations Manager" position in lieu of a "Director of Terminal and Parking Facilities" position, together with the associated changes to the Authority's organization chart and salary grade structure. In this regard, Mr. Lamson noted that any changes to the salary grade levels for Grade 11 or above must be approved by the Members and he was proposing that the salary grade level of the new position be Grade 16 (instead of the current position's salary grade level of Grade 15) and that the salary grade level for the Port Captain position be lowered from Grade 16 to Grade 15.

Mr. Lamson also stated that, if the Members were to approve his request, he would appoint Mr. Rozum as the Authority's Operations Manager due to his background and experience. Mr. Lamson observed that, having been Director of Terminals and Parking Facilities for the last eleven years, Mr. Rozum has a thorough understanding of the Authority's operations and is uniquely qualified to serve in an expanded role for the Authority.

In response to a question from Mr. O'Brien, Mr. Lamson stated that the Port Captain and Assistant Port Captain would report to the Operations Manager, as it would be his responsibility to coordinate the operations of both the terminals and the vessels. However, Mr. Lamson noted that he had talked with the Port Captain about this proposed change and assured him that there would be no resulting change in his salary or job responsibilities.

Ms. Gladfelter stated that she did not have a problem with Mr. Lamson's proposal, observing that it would be good to take advantage of Mr. Rozum's experience and that it might take some pressure off of Mr. Lamson. However, she suggested that the Authority retain the "Director of Terminals and Parking Facilities" in its organization chart (with a notation that it is vacant and that it is not intended to be filled), as the Authority might want to revert to that position after Mr. Rozum's ends his tenure as Operations Manager.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve the creation of a new "Operations Manager" position in lieu of a "Director of Terminals and Parking Facilities" position, together with the associated changes to the Authority's organization chart and salary grade structure, as proposed by management in Staff Summary #GM-663, dated July 16, 2015.

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

Public Comment:

Edgartown resident Stephen Jones expressed his concern that the Authority had swapped out the life rafts that previously had been on the vessels with uncovered buoyant apparatuses, which he said would leave people exposed to the elements if they had to abandon ship during the winter. He also stated that he had talked to the Authority's Captains and Pilots, who had told him that the Authority's budget cuts had affected the safety of the vessels. In

particular, Mr. Jones said, he understood that the crews' watch schedules were leaving them tired while they operate the vessels on a 24/7 basis and, in addition, the Authority had gotten rid of the cooks in the galleys, which now requires the licensed deck officers to fix their own sandwiches while they are navigating.

Mr. Lamson strongly disagreed with all of Mr. Jones' assertions, saying that no licensed deck officer would prepare his or her meal while navigating the vessel and that there were two licensed deck officers in the wheelhouse during all docking procedures. Mr. Lamson also noted that all of these changes had been agreed upon with the crews' unions, that the only duties of the cooks were to cook for the crews, and that the Authority was still manning many of its vessels in excess of United States Coast Guard requirements. Mr. Lamson also observed that all of the Authority's vessel employees are required to report to work fit and ready for duty, and that if they are not in a condition to work, they should self-report so that replacements can be assigned in their place.

Mr. Walker added that the Authority's switch from lifeboats to inflatable buoyant apparatuses in fact represented a huge increase in safety, as people no longer have to climb over the vessel and down ladders to lifeboats that had to be cranked down. Instead, Mr. Walker said, passengers can now go down slide systems safely and quickly. Mr. Walker further noted that the Authority had spent nearly \$2,000,000 on those upgrades and that the same type of system was being planned for the *M/V Woods Hole*.

Tisbury Selectman Melinda F. Loberg thanked the Members for the Authority's responsiveness in making upgrades to the Vineyard Haven terminal, which she said were beautiful and the subject of a lot of positive comments. Ms. Loberg stated that she also was looking forward to working with the Authority in its efforts to reverse the direction of the vehicle traffic on Union Street this coming fall in an attempt to relieve traffic congestion at Five Corners. However, Ms. Loberg asked what the status was with respect to the Authority's negotiations with the Town of Falmouth for the renewal of the lease for the Woods Hole back parking lot, which she observed is a valuable lot for islanders and particularly commuters, and she also asked whether the Authority was looking at dredging the south side of the Vineyard Haven dock.

In response, Mr. Lamson stated that the Authority already had met with two Falmouth Selectmen and that both parties were moving ahead with the lease negotiations with another meeting scheduled for August 3rd. In addition, Mr. Lamson said, the Falmouth Board of Selectmen had invited the Authority to give a presentation on its Woods Hole terminal reconstruction project at their meeting on August 10th.

Martha's Vineyard Times Managing Editor Nelson Sigelman observed that the Authority that day effectively had made the "Blue Line" a rolling resident minimal version of a standby line of 15 cars, and he was curious to know how many empty spaces there are on the last two boats of each reservation-only day. In response, Mr. Lamson stated that the Authority would provide him with that information.

Mr. Sigelman also observed that, while the Authority allows its employees to smoke when they are not interacting with customers, Washington State Ferries does not allow its employees to smoke on the job at all, and he asked if the Authority would consider adopting such a policy or clarify its current policy. In response, Mr. Lamson stated that he had reviewed the Authority's policies regarding smoking and they do explicitly provide that employees are not allowed to smoke while they are performing their duties or interacting with customers. Further, Mr. Lamson stated that, while the Authority does allow its employees the opportunity to smoke during their breaks away from customers, it still addresses each situation when an employee is observed smoking when he or she should not be.

At approximately 11:41 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters and contract negotiations with nonunion personnel, including:

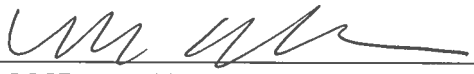
- the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot;
- the renewal of the Authority's Leases with the Barnstable Municipal Airport Commission for two parking lots on Brooks Road and Mary Dunn Way in Hyannis;
- the potential acquisition of additional property in Hyannis;
- negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Services Department employees; and
- the approval of the General Manager's proposed goals for the year July 1, 2015 through June 30, 2016.

After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions, he stated that the Members may also conduct contract negotiations with Mr. Lamson in executive session. Mr. Hanover then stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, 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. O'Brien -- to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the Authority's strategy with respect to collective bargaining matters and contract negotiations with nonunion personnel, and to conduct contract negotiations with the General Manager, Wayne C. Lamson.

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

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

List of Documents and Other Exhibits Used at the Meeting in Public Session

Tuesday, July 21, 2015

**Katharine Cornell Theatre
Tisbury Town Hall
51 Spring Street, Vineyard Haven, MA**

- 1. Agenda**
- 2. Minutes of the June 16, 2015 Meetings in Public Session**
- 3. Business Summary for the Month of May 2015**
- 4. Staff Summary #GM-661 dated July 16, 2015 – Approval of the Proposed 2016 Winter, Early Spring and Spring Operating Schedules**
- 5. Staff Summary #TPF-2015-7 dated July 14, 2015 – Approval of Proposed Changes and Clarifications to the Blue Line Standby Policy at the Woods Hole and Vineyard Haven Terminals**
- 6. Staff Summary #TPF-2015-6 dated July 14, 2015 – Conversion of Seasonal Parking Permits to be on a Calendar Year Basis**
- 7. Staff Summary #L-448 dated July 16, 2015 – SeaStreak's Proposed New Bedford-Oak Bluffs-Nantucket Service**
- 8. Staff Summary #GM-662 dated July 16, 2015 – Discussion on the Potential Assignment of the M/V Woods Hole Beginning with the 2016 Summer Schedule**
- 9. Staff Summary #E2015-03 dated July 16, 2015 – Contract #12-15 "Dry-Dock and Overhaul Services for the M/V Nantucket**
- 10. Staff Summary #GM-663 dated July 16, 2016 – Proposed Creation of an "Operations Manager" Position in Lieu of a "Director of Terminals and Parking Facilities" Position and the Associated Changes to the Authority's Organizational Structure and Salary Grade Structure**
- 11. July 1, 2015 Port Council Minutes**

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

The Meeting in Public Session

August 18, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of August, 2015, 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 Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable and Port Council Secretary George J. Balco of Tisbury were also present (and Port council member Edward C. Anthes-Washburn of New Bedford was also present during the Members' discussion of SeaStreak, LLC's request to provide high-speed passenger ferry service between New Bedford, Oak Bluffs and Nantucket), as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on July 21, 2015.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for June 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 1.6%), more automobiles (up 1.4%) and more trucks (up 5.3%) during the month than it had carried during the same month in 2014. Mr. Lamson also noted that the Authority had seen an 8.9% increase in ridership on the *M/V Iyanough* in June 2015 compared to the same month last year.

Mr. Lamson also reported that the Authority's operating revenues and other income were \$311,000 higher in June 2015 than projected, and that its operating expenses and fixed charges were \$228,000 lower than budgeted. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$4,354,000, approximately \$539,000 higher than projected.

Mr. Lamson further reported that, for the first six months of 2015, the Authority's operating revenues and other income had been around \$1,131,000 higher than projected, its operating expenses and fixed charges had been around \$1,630,000 lower than budgeted (of which \$1,384,000 was due to vessel fuel oil expenses being lower than budgeted) and, as a result, the Authority's net operating loss had been around \$4,638,000, approximately \$2,760,000 lower than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson noted that the Authority's cash balance in its Operations Fund at the end of June 2015 had been stronger than what had been projected in the 2015 Operating Budget, and he stated that this will eventually lead to additional cash transfers being made this year to the Replacement Fund and the Bond Redemption Account.

Construction of the *M/V Woods Hole*:

Mr. Walker reported that the construction of the *M/V Woods Hole* continued to be on schedule and that, although the vessel's bulbous bow was delivered to Conrad's shipyard in Morgan City, Louisiana, almost a month late the prior Friday, its late delivery had not affected the vessel's construction schedule and it had been placed onto the vessel the previous day. Mr. Walker also reported that the vessel's hull has been welded out from the stern to the

bow thruster void and that it should be entirely welded out by mid-September. Further, Mr. Walker stated that:

- the hull will be flipped on September 28th or 29th and then towed back to the shipyard where Conrad will start the erection of the freight deck modules;
- in mid-October, the vessel will be towed to Conrad's other shipyard in Amelia, Louisiana, so that it can be dry-docked for the installation of the controllable pitch propeller system, main engines, and rudders;
- after that machinery is installed, the vessel will be brought back to Conrad's Morgan City shipyard for the completion of the superstructure to the 03 deck; and then
- in late February or early March, the vessel will be moved for the last time to Conrad's Amelia shipyard for its final fit-out (including the pilot house, crew areas, antennae and stacks) before being delivered to the SSA's Fairhaven Vessel Maintenance Facility on April 29, 2016.

Mr. Hanover asked Mr. Walker to make certain that he has footage taken of Conrad flipping the vessel's hull in late September, and also asked whether it was reasonable for Conrad to take only one month to install the pilothouse. In response, Mr. Walker stated that the pilothouse will be prefabricated and therefore will only need to be welded into place. Then, in response to a question from Ms. Gladfelter, Mr. Walker confirmed that it had been a change of plans to flip the hull in Morgan City rather than at Conrad's other shipyard in Amelia, Louisiana. Mr. Walker stated that he had felt very uncomfortable about Conrad waiting until February or March 2016 to install the machinery, so Conrad had agreed to dry-dock the vessel twice.

Thomas B. Landers Road Parking Facility:

Mr. Walker reported that, while the Authority's new consolidated parking lot on Thomas B. Landers Road was open and operational, there continued to be an issue with controlling stormwater along the ring road that the Authority's customers and shuttle buses use to travel around the lot, especially at the southeast corner of the property. Mr. Walker stated that because the storm-water management system had not been designed properly, water during heavy rainstorms has overflowed onto the Town of Falmouth's adjacent waste management facility. Although Mr. Walker noted that Lawrence-Lynch Corp.

had built a larger berm on that corner and had dug trench drains to the existing catch basins, the catch basins still cannot hold all of the water during these events. Accordingly, Mr. Walker said, later during today's meeting, the staff would be asking the Members to authorize Mr. Lamson to enter into a change order with Lawrence-Lynch Corp. to install seven more drainage basins on the site.

In response to a question from Mr. Hanover, Mr. Walker stated that the ring road had been pitched so that water would go onto the porous pavement, but that the project still had not been designed properly. Therefore, Mr. Walker said, the staff was having discussions with Green Seal Environmental, Inc. about the cost of the necessary additional work. Ms. Gladfelter observed that people were becoming increasingly concerned about the stormwater runoff from the Authority's property, and she stated that it was important for the Authority to take care of the issue quickly.

Later in the meeting, Mr. Hanover stated that he had received complaints from customers who were having trouble finding their cars in the parking lot. In response, Messrs. Walker and Rozum stated that the rows of cars in the lot are organized alphabetically and then the rows are subdivided by numbers. Mr. Walker also stated that, as customers board the Authority's shuttle buses to go to Woods Hole, they are advised to take pictures of where their cars are or to note their locations.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker reported that the new modular building at the Authority's Fairhaven Vessel Maintenance Facility was on track to be completed by the end of August, that the Authority will be finished installing a new stockroom shelving system in the building by the end of this week, and that the stockroom will be moved from Woods Hole to Fairhaven the following Monday. Once that move is complete, Mr. Walker said, the Authority will move the vessel maintenance office from the so-called "Lobster Building" before Labor Day, and the Lobster Building will then be demolished.

Mr. Walker stated that there was still no date set for the demolition of the "Lobster Building" and that the contractor was waiting for the Authority to schedule the demolition. However, Mr. Walker said, while the Authority could not confirm the date until everything is moved into the new building, the demolition will take place later in September.

Woods Hole Terminal Reconstruction Project:

Mr. Sayers reported that, on August 10, 2015, the Authority had given a presentation on the Woods Hole Terminal Reconstruction Project to the Falmouth Board of Selectmen, and that yesterday it had filed its Environmental Notification Form (ENF) for the project with the Massachusetts Environmental Policy Act (MEPA) Office of the Executive Office of Energy and Environmental Affairs. Mr. Sayers stated that notices of the filing of the ENF will be published in the *Falmouth Enterprise* and the *Cape Cod Times* this Friday, and that the public will have until September 25, 2015 in order to submit their comments. Ms. Gladfelter also stated that she had received positive feedback from the public about the Authority's presentation, and that people had been impressed with the iterations in the planning process.

In response to questions from the Members, Mr. Sayers also reported that the eelgrass survey had been completed and that construction of the new terminal will disturb less than 2,000 square feet of eelgrass beds. Mr. Sayers also stated that the design team had concluded not to use ground penetrating radar to see whether any boulders are located in the area of the proposed new marine structures. Rather, Mr. Sayers said, once the location of the structures is finalized, the Authority will use probes to determine whether any boulders are located there.

Improvements to the Authority's WiFi Service:

Ms. Claffey reported that the Authority was continuing to be proactive in monitoring its free WiFi service onboard the vessels and that, if the Authority learns that someone is having trouble connecting with the WiFi, the Authority contacts and works with the customer to resolve the problem. Ms. Claffey also reported that a number of customers are still surprised that they cannot use the WiFi on the vessels' freight decks, and that people using older devices have more difficulty connecting than those who use newer devices. Ms. Claffey stated that she had received a notification the previous night that there had been some trouble a few days ago with the WiFi on the *M/V Iyanough*, and that she planned to follow up on that.

Maximo Maintenance Management Information System Upgrade:

Ms. Claffey then reported that the Authority has had difficulty resolving all of the issues on the punch list for the upgrade of its Maximo maintenance management system, and that the Authority needed to resolve those issues before it can train the Senior Captains and Senior Chief Engineers on the upgraded system. Ms. Claffey also stated that the Authority is working with its vendors to resolve those issues and that they have identified a fix for the problems which is available from IBM, but she noted that the fix itself is more like a minor upgrade. Accordingly, Ms. Claffey said, the Authority still needed to determine how best to proceed.

Electronic Ticketing for Walk-on Passengers:

Ms. Claffey reported that the Authority has received the equipment that enables it to scan electronic tickets on customers' smartphones by placing the phones face down on stationary devices instead of scanning them with a handheld scanner. Ms. Claffey stated that as soon as the Authority completes its testing of the mobile ticketing system, it will make the changes on its mobile site so that the Authority's high-speed ferry passengers can buy their tickets on their smart phones without having to print out a paper copy. Ms. Claffey also noted that this will be the same technology that eventually will be used on the Authority's traditional ferries as well.

In response to a question from Mr. Hanover, Ms. Claffey stated that the Authority's new ticket scanning system is the same type of system used at airports where customers simply have to show their smart phones to have their tickets scanned.

Text Messaging for Wait List Matches and Trip Cancellations:

Ms. Claffey reported that, last month the Authority implemented a new program that allows its customers, if they so choose, to receive notices of their wait list matches and trip cancellations by text, and she noted that around 9,000 customers already have signed up for this text message notification option. Ms. Claffey further reported that the Authority's waitlist system is also now updating wait list matches continually throughout the day and notifying customers as each match is made. Finally, Ms. Claffey said, the Authority's other wait list improvements (*e.g.*, allowing non-commercial customers to elect

to have their wait list requests processed until 12:00 noon the day before their scheduled departures instead of until 48 hours before their scheduled departures) should be finalized within the next week or so. Mr. Hanover stated that he had received many compliments from people about the Authority's new text messaging capabilities, and he observed that it was good that the system is constantly being upgraded.

Ms. Gladfelter then observed that the average wait time for customers calling the Authority's Reservation Office had dramatically improved from three minutes and 41 seconds in July 2014 to one minute and 58 seconds in July 2015, and she declared that she thought this was great. Although Mr. Hanover noted that this may have been the result of more customers booking their reservations online (observing that 50.02% of the Authority's total vehicle reservations were booked online in July 2015 compared to 48.65% in July 2014), Ms. Gladfelter pointed out that the Authority's Reservation Clerks still handled a greater volume of telephone calls this past July (78,984) than in July 2014 (68,472).

SeaStreak's Request to Provide High-Speed Passenger
Ferry Service between New Bedford, Oak Bluffs and Nantucket:

Mr. Sayers recounted how, last month, SeaStreak, LLC, had submitted a proposal to the Authority to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs. Mr. Sayers noted that the Authority's Licensing Policy calls for the staff to hold hearings on the proposal in New Bedford, Oak Bluffs, and Nantucket, but because Hy-Line subsequently stated that it too will be submitting a proposal to increase its ferry service between the islands of Martha's Vineyard and Nantucket, the staff was waiting to receive that proposal so that both proposals could be the subject of the same hearings.

Mr. Sayers then stated that he hoped to be able to advertise the hearings during the first two weeks of September and to hold the hearings during the latter half of September. After that, Mr. Sayers said, the staff hopefully would be able to present its analysis and recommendations regarding the proposals at the October 2015 Port Council and Authority meetings. Mr. Sayers also reported that, later this month, the Authority would be conducting a survey of passengers on the *M/V Lady Martha* while they are traveling on Hy-Line's daily inter-island round trip between Martha's Vineyard and Nantucket.

Hy-Line's Vice President of Operations, R. Murray Scudder, Jr., then stated that Hy-Line was making progress in terms of its proposal for increased inter-island service, but that it had not yet had an opportunity to meet again with SeaStreak's President, James Barker. Mr. Scudder also stated that Hy-Line's and SeaStreak's proposals will have separate and distinct differences, and that he did not believe Hy-Line's proposal required public comment, as all Hy-Line wanted to do was increase the level of its inter-island service. By contrast, Mr. Scudder said, he thought that public opinion was relevant for SeaStreak's proposed service between New Bedford and Nantucket, and he did not believe that SeaStreak should be allowed to compete with a pre-existing licensed carrier.

Ms. Tierney asked Mr. Scudder if Hy-Line was going to be submitting its proposal within the next week, which is what Mr. Scudder recently had told her, or within the next four weeks, as Mr. Scudder had just seemed to imply. In response, Mr. Scudder stated that it would be more like four weeks because increasing Hy-Line's inter-island service will involve a significant capital outlay. Mr. Scudder also stated that he could provide the Authority with a proposed schedule today, but that Hy-Line has not yet determined the vessel mix and he wanted to make certain that Hy-Line will actually provide what it promises. Mr. Scudder also noted that, until recently, he had not been aware of SeaStreak's proposal and that he believed SeaStreak was just interested in providing service to Nantucket and not between the islands. Mr. Scudder further noted that, while Hy-Line can provide its proposal to the Authority before its next meeting, he was surprised that it is being forced to provide any proposal with two years left on its license.

Mr. Sayers stated that, in light of Mr. Scudder's comments, the staff could go forward with public hearings just on SeaStreak's proposal and that Hy-Line could then take its time preparing whatever proposal it would like to submit. In response to a question from Mr. Scudder regarding the timeline for the hearings, Mr. Sayers stated that they probably would be held during the third week in September so that the staff could present their analysis and recommendations to the Port Council and the Members at their October 2015 meetings.

Hy-Line's Director of Public Affairs and Business Development, Marty Reilly, then stated that SeaStreak's proposal could have an adverse financial impact on both Hy-Line and the Authority, and that Hy-Line has been actively working on its own proposal, which involves many moving parts. Mr. Reilly also stated that Hy-Line had met with the Nantucket Authority Member and Port Council member, as well as the Barnstable Authority Member and Port Council member, to express its concern about the integrity of Hy-Line's current

inter-island license; that yesterday it had met with the New Bedford Authority Member, and that it also looks forward to meeting with the Falmouth Authority Member and the Martha's Vineyard Authority Member.

Mr. Reilly noted that, after the Nantucket and Barnstable Port Council members had suggested that Hy-Line meet with SeaStreak, Hy-Line has had continuing discussions with SeaStreak and expects to meet with SeaStreak again within the next two weeks. Mr. Reilly stated that, while it was unclear whether SeaStreak will even go forward with its proposal, he would respectfully ask the Members not to go forward with SeaStreak's proposal until after Hy-Line submits its proposal in September, as SeaStreak's proposal could have an impact on Hy-Line's financial stability and the financial stability of the entire system. In response, Mr. Hanover assured Mr. Reilly that the Members would not do anything until they have all of the information.

Mr. Jones then stated that the Port Council had vetted this matter as well, and that he did not believe that the Port Council had rushed Hy-Line in any way to submit a proposal. Rather, Mr. Jones said, Mr. Sayers had just suggested that Hy-Line's proposal be submitted by today's meeting, but as far as he was concerned the Authority did not need to rush the hearings on either of the proposals.

Mr. Jones also stated that he agreed that SeaStreak's proposal would interrupt the licensed inter-island route and that both proposals needed to be looked at in terms of their impact on the entire system. Mr. Jones noted that SeaStreak's trips from New Bedford would impact both the Authority's and Hy-Line's ridership, while no one really knows how much new ridership SeaStreak will gain. Mr. Jones again recommended that the two private operators work together on this matter and that the Authority give them the time to do so. Then, Mr. Jones said, the Authority can make a decision to go forward with the hearings once all of the facts are in. Finally, Mr. Jones noted that there will be a new dynamic in the system when Hy-Line begins operating its second high-speed ferry.

Ms. Gladfelter stated that, as a result of today's discussion, she was a little unclear about the progression of things. In response, Mr. Sayers stated that he thought he would contact SeaStreak to find out whether its proposal is still on the table. Mr. Sayers observed that, given Hy-Line's position that the Authority should treat the two proposals separately, if SeaStreak is still planning to submit a separate proposal, he thought the staff should proceed from there. In response to a question from Mr. Hanover, Mr. Sayers stated that, in accordance with the Authority's Licensing Policy, the staff would then

follow the process and hold public hearings on SeaStreak's proposal unless the Members were to vote otherwise.

Use of the *M/V Governor* during the
2016 Summer Operating Schedule:

Mr. Lamson then recounted how one of the goals that the Members had established for him the prior month was to develop a plan to provide sufficient time to accomplish each vessel's annual overhaul requirements and to ensure vessel back-up capability for most of the year in the event a vessel on either route needs to be taken out of line service unexpectedly. With the arrival of the *M/V Woods Hole*, Mr. Lamson said, this goal can be accomplished in the short term by continuing to use the *M/V Governor* during the summer months and scheduling at least one of the freight vessels to be in repair status throughout the summer season while still having a back-up vessel available to put into line service if needed. However, Mr. Lamson noted that the Authority would need to complete a dry-dock inspection for the *M/V Governor* and obtain a new certificate of inspection for the vessel by next spring.

Mr. Lamson advised the Members that the average annual fixed cost of keeping the *M/V Governor* into the foreseeable future would be approximately \$1,000,000, with the costs being a little higher in the years in which a dry-dock inspection is required and a little less in the other years. Mr. Lamson also noted that these costs to keep the *M/V Governor* in operating condition would represent around one percent of the Authority's annual operating expenses. Mr. Lamson then reviewed with the Members the schedule of the Authority's possible vessel assignments if the *M/V Governor* were continued to be used as a freight boat during the summer schedule, showing that the Authority would then have a freight vessel in repair status throughout the year and would have a back-up freight vessel available for most, if not all, of the year as well.

Mr. Lamson also observed that, in the longer term, the Authority will need to replace one of its vessels, on average, every six to seven years if it intends to maintain each of its vessels based upon a 60-year useful service life with mid-life vessel refurbishments to replace outdated systems that become obsolete. In addition, Mr. Lamson said, the Authority will have to pay for these vessel replacements with proceeds from bond issues and perhaps even state or federal funding. In this regard, Mr. Lamson reviewed with the Members a schedule showing how the Authority will be paying off its outstanding bond principal at the rate of around \$6,000,000 per year over the next six years.

Finally, in order to accomplish this goal, Mr. Lamson asked the Members for their approval to issue an invitation of bids for the dry-docking of the *M/V Governor* this fall, noting that the \$1,000,000 estimated cost of the proposed scope of work would be covered by a portion of the cost savings the Authority continues to see from lower fuel prices. Mr. Lamson also reported that, at their meeting earlier this month, the Port Council similarly had concluded that it makes sense to keep the *M/V Governor* at least through 2016, especially if the *M/V Woods Hole* for some reason is not able to begin line service as scheduled at the beginning of the 2016 summer season.

After Mr. Lamson finished his presentation, Mr. Balco noted that, after 2016, the Authority can revisit the issue of whether the *M/V Governor* should be kept longer, but he observed that for next year retaining the vessel was like having an insurance policy for \$1,000,000. In response, Mr. Hanover stated that such an insurance policy was an expensive one and that for that price he hoped the Authority will be able to keep the vessel for a longer period of time, which prompted Mr. Jones to observe that it was logical to assume that the vessel will be kept for more than one year.

Mr. Hanover then noted that the public has been in favor of the Authority keeping the vessel, and he said that he thought it made sense. Ms. Tierney agreed, observing that the Authority would not get much money anyway if it were to sell the vessel. Ms. Gladfelter further stated that she did not believe the Members should limit its use to 2016.

After Mr. Balco expressed concern about a potential public backlash due to the Authority's acquisition of a new vessel without getting rid of an old one, Mr. Lamson recounted several ways that keeping the vessel would benefit the Authority's operations, including allowing the Authority to spread its vessel maintenance work over the entire year (and thus reducing the need to pay overtime), and providing the Authority with a back-up vessel in the event another vessel unexpectedly needs to be taken out of service.

Mr. Jones observed that the original plan for the *M/V Governor*, after the arrival of the *M/V Woods Hole*, was to remove its engines and install them in the *M/V Sankaty*, after which the *M/V Governor* would be scrapped. But all of a sudden, Mr. Jones said, everyone now wants to keep the vessel despite the high cost of doing so and its serious condition problems in order to allow more time for maintenance on the Authority's other vessels. Mr. Jones stated that keeping the *M/V Governor* was a good solution for that problem, but he questioned whether the Authority should ever schedule a vessel to be in repair during the summer season, thereby making it unavailable to provide service

during that time, and he also noted that the Authority still needed to address how it is going to replace the *M/V Sankaty*'s engines.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to keep and maintain the *M/V Governor* as part of the Authority's fleet.

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

Proposed 2016 Summer and Fall Operating Schedules:

Mr. Lamson then reviewed with the Members the preliminary version of the staff's proposed 2016 summer and fall operating schedules that include the expected delivery of the *M/V Woods Hole* by the end of April 2016 and the continued use of the *M/V Governor* during the summer season, noting that they were being presented this month for discussion purposes only and will not be voted on until next month's Authority meeting. Mr. Lamson also noted that, in response to a concern raised by the Port Council regarding the possible need for additional service when schools end for the summer, the staff has moved up the beginning of the full summer schedule by six days so that it now would begin on June 17th instead of June 23rd.

Mr. Lamson stated that the staff's proposed changes from this year's summer schedule on the Martha's Vineyard route were as follows:

- The *M/V Woods Hole* would replace the *M/V Sankaty* and would also berth overnight in Vineyard Haven instead of Woods Hole. As a result, its first trip from the island would depart at 5:30 a.m., its last trip off-island at 9:45 p.m. would be eliminated, and the last trip off-island would be the *M/V Island Home*'s departure at 9:30 p.m. Mr. Lamson stated that the staff feels there is tremendous demand on the part of island residents to leave early in the morning and that, by providing this earlier trip, more space would open up on other early morning trips as well. By contrast, Mr. Lamson said,

currently the *M/V Sankaty*'s last trip of the day off-island at 9:45 p.m. carries relatively few vehicles.

- From May 18th through June 16th, the *M/V Woods Hole*, in addition to the *M/V Governor*, would be triple-crewed, allowing the *M/V Woods Hole* to make up to three additional round trips per day.
- From June 17th through September 8th, the *M/V Woods Hole*'s 8:30 a.m. trip would go to Oak Bluffs instead of to Vineyard Haven, which would also result in the 9:45 a.m. return trip from Oak Bluffs being designated as a hazardous trip.
- From September 9th through October 11th, the *M/V Katama* would replace the *M/V Woods Hole* on this route.

Mr. Lamson stated that, with respect to the Nantucket route's summer schedule, the staff was proposing:

- The *M/V Sankaty* would provide service on this route, in addition to the *M/V Eagle* and the *M/V Gay Head*, from May 18th through May 23rd, and then again from June 2nd through June 16th. The *M/V Nantucket* would replace the *M/V Sankaty* over the Memorial Day weekend (May 24th through June 1st) and then again beginning on June 17th through September 8th.
- The *M/V Woods Hole* would be assigned to this route beginning on September 9th, to replace the *M/V Gay Head*'s schedule (with a triple crew), which would in turn replace the *M/V Sankaty*'s schedule (with a single crew). The *M/V Gay Head* would be scheduled to provide two round trips per day Mondays through Fridays from September 9th through September 20th, and then only one round trip per day Mondays through Fridays from September 21st through October 11th (although it would still be available to provide a second round trip on those days).

Mr. Lamson further stated that, during the 2016 Fall Schedule (October 12, 2016 through January 3, 2017), the *M/V Woods Hole* would once again be assigned to the Martha's Vineyard route, this time in place of the *M/V Katama* as the sole freight boat on that route, and it would be double-crewed to provide four trips a day, seven days a week. Mr. Lamson noted that the other vessels on the Martha's Vineyard route during the fall would be the *M/V Island Home* and the *M/V Nantucket*, and that the two vessels assigned to the Nantucket route during the fall would be the *M/V Eagle* and the *M/V Gay Head*.

Mr. Hanover stated that he thought the proposed schedules were excellent, and he noted that the 9:45 p.m. trip from Vineyard Haven during the summer which the staff was proposing to eliminate in favor of a 5:30 a.m. trip was really just a repositioning trip. However, Mr. Hanover suggested that the *M/V Woods Hole's* 8:30 a.m. trip from Woods Hole to Oak Bluffs during the summer not be designated as a hazardous cargo trip because he thought there will be a large passenger demand at that time of day.

Treasurer's Report:

Mr. Davis reported that, during the month of July 2015, the Authority had carried more passengers (up 5.4%), more automobiles (up 3.3%) and more trucks (up 5.2%) than it had carried during the same month in 2014, and that for the first seven months of 2015 the Authority's passenger traffic was up by 3.9%, its automobile traffic was up by 0.2%, and its truck traffic was up by 3.0% compared to the first seven months of 2014.

Mr. Davis also reported that the Authority's operating revenues were expected to be \$525,000 higher in July 2015 than projected, that its operating expenses were expected to be \$450,000 lower than budgeted, and that, as a result, the Authority's net operating income for the month was expected to be around \$7,800,000, approximately \$900,000 higher than projected. Mr. Davis noted that the Authority's lower operating expenses were primarily attributable to lower vessel fuel oil costs, which were expected to be around \$480,000 below budget estimates for the month. Finally, Mr. Davis reported that, for the first seven months of 2015, the Authority's net operating income was expected to be around \$3,100,000, which was around \$3,700,000 higher than projected.

In response to a question from Ms. Gladfelter, Mr. Davis stated that the Authority does not charge a standard fare for all trucks over 20 feet in length; rather, the Authority charges higher fares for longer trucks and that each truck's fare is based upon its length and increases in five-foot increments. Mr. Davis noted that this fare structure provides an incentive for freight shippers to consolidate their loads into smaller trucks. However, Mr. Davis noted that the Authority does charge some freight shippers different rates based upon the commodities they carry. For example, Mr. Davis said, a truck carrying fish is charged less than if it were carrying general freight.

Change Order for Contract No. 09-14 for the
Construction of Thomas B. Landers Road Parking Facility:

Mr. Lamson then asked the Members to approve a change order to the Authority's contract with Lawrence-Lynch Corp. for the construction of the Thomas B. Landers Road parking facility for the installation of seven additional drainage basins to collect stormwater on the property, in the amount of \$112,145.77. Mr. Lamson stated that the seven additional drainage basins will provide additional stormwater storage capacity at the southeast and northwest corners of the lot, augmenting the existing drainage basins and porous asphalt, and that the staff was still having discussions with Green Seal Environmental, Inc. about how much of this cost could have been avoided had these basins been included in the original design of the lot. In addition, Ms. Gladfelter assured the other Members that the Town of Falmouth also wanted this work to be completed.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve a change order to the Authority's contract with Lawrence-Lynch Corp. for the construction of the Thomas B. Landers Road parking facility for the installation of seven additional drainage basins as proposed by Green Seal Environmental, Incorporated, in the amount of \$112,145.77, as recommended by management in Staff Summary #E 2015-4, dated August 13, 2015.

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

Nantucket Terminal Pier Work – Slip 1 and Slip 2:

Mr. Lamson then asked the Members for authorization to award Contract #17-2015 for “Nantucket Terminal Pier Work – Slip 1 and Slip 2” to the lowest eligible and responsible bidder for the contract when bids for the contract are opened on or after September 9, 2015. Mr. Lamson stated that the contract’s scope of work includes the replacement of three offshore existing approach dolphins in Slip #1 of the Nantucket terminal with new pipe pile supported dolphins, consisting of new concrete masses and new fender systems (rubber reaction cones and fender frames), and the replacement of thirteen fender systems along the bulkhead in Slip #2 (the high-speed ferry slip) and the face of the pier (the barge unloading area), and that the estimated cost of the work is \$2,000,000. Mr. Lamson also stated that he was asking for authorization to award this contract before the next Authority meeting because the materials needed for the contract have a long lead time of 14 weeks, and he wanted to be able to include as much of the cost of the contract in this year’s cost of service.

IT WAS VOTED -- upon Mr. Ranney’s motion, seconded by Ms. Tierney -- to authorize the General Manager to award Contract No. 17-2015, “Nantucket Terminal Pier Work – Slip 1 and Slip 2,” to the lowest eligible and responsible bidder for the contract when bids for the contract are opened on or after September 9, 2015, as recommended by management in Staff Summary #E 2015-5, dated August 14, 2015.

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

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had recommended to Hy-Line and SeaStreak that the two carriers get together to see if they can work out proposed schedules that are beneficial to both of them and the entire system. Mr. Jones then mentioned that there will be a hearing the following day on Stuart Bornstein's application before the Town of Barnstable's Hyannis Main Street Waterfront Historic District Commission to build a 38-unit condominium community of nine buildings (and a swimming pool) on both sides of School Street adjacent to the Authority's Hyannis terminal. Mr. Jones noted that the development could well have an impact on the Authority's Hyannis terminal, but that the Authority's objections will be more appropriately raised when the project proceeds to the Barnstable Planning Board.

Mr. O'Brien also observed that the project would entail the lowering of School Street by two or three feet, and Mr. Jones added that it would also have underground parking and an embankment that will probably need a retaining wall. Ms. Gladfelter then expressed her concern that the project's stormwater needed to be dealt with appropriately, especially given that the Authority's terminal is built on filled land, and she noted that, even if the project appears to be engineered correctly, there might still be issues after it is built.

At approximately 10:57 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, including:

- the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot;
- the renewal of the Authority's Leases with the Barnstable Municipal Airport Commission for two parking lots on Brooks Road and Mary Dunn Way in Hyannis;
- the potential acquisition of additional property in Hyannis; and
- negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Services Department employees.

After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and he announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
August 18, 2015 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. August 18, 2015 Meeting Memorandum, dated August 14, 2015 (revised).
2. Minutes of the July 21, 2015 Meeting in Public Session.
3. Business Summary for the Month of June, 2015.
4. Call Center Phone Activity and Internet Reservations Report (July 2015).
5. Staff Summary #GM-664, dated August 13, 2015 – Proposed Used of the M/V Governor during the 2016 Summer Schedule.
6. Staff Summary #TPF-2015-8, dated August 12, 2015 – Preliminary Version of Proposed 2016 Summer and Fall Operating Schedules.
7. Staff Summary #E2015-4, dated August 13, 2015 – Change Order – Contract #09-14, Construction of Thomas B. Landers Parking Facility.
8. Staff Summary #E2015-05, dated August 14, 2015 – Contract #17-2015, “Nantucket Terminal Pier Work – Slip 1 and Slip 2.”
9. Minutes of the Port Council's August 5, 2015 Meeting (Draft).

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

The Meeting in Public Session

September 22, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 22nd day of September, 2015, beginning at 9:36 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

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

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session.

Minutes:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on August 18, 2015.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for July 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 5.4%), more automobiles (up 3.3%) and more trucks (up 5.2%) during the month than it had carried during the same month in 2014. Mr. Lamson also reported that the Authority's operating revenues and other income were \$764,000 higher in July 2015 than projected, and that its operating expenses and fixed charges were \$64,000 higher than budgeted. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$7,553,000, approximately \$700,000 higher than projected.

Mr. Lamson further reported that, for the first seven months of 2015, the Authority's operating revenues and other income had been around \$1,895,000 higher than projected, its operating expenses and fixed charges had been around \$1,566,000 lower than budgeted (of which \$1,826,000 was due to vessel fuel oil expenses being lower than budgeted) and, as a result, the Authority's net operating income had been around \$2,915,000, approximately \$3,461,000 higher than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson noted that the Authority's cash balance in its Operations Fund at the end of July 2015 had been less than what had been projected in the 2015 Operating Budget, but he stated that this was due to disbursements having been made from that fund for capital projects which will eventually be recollected. Mr. Lamson also noted that the Authority's market share of passengers carried between Hyannis and Nantucket on high-speed ferries had slightly increased this year, but that the Authority had seen a decrease in its market share of passengers carried on that route's traditional ferries.

Construction of the *M/V Woods Hole*:

Mr. Walker reported that the construction of the *M/V Woods Hole* was continuing to go well, that the United States Coast Guard had approved the hull's weld-out after witnessing an air pressure test to make sure there were no leaks, and that this past week the hull, while still upside down, was barged up river and flipped in the water. Mr. Walker also reported that Conrad Shipyard will be erecting the vessel's other modules (except the stacks, pilot house and crew's quarters) onto the hull and that they will all be in place by the end of November.

Mr. Walker then gave a slide presentation to the Members of the progress of the vessel's construction, including slides of the vessel's bulbous bow, the construction of the other modules that will be erected onto the hull, the transport of the hull upside down to the launch barge, the four-hour journey up the river, and then the lifting and flipping of the hull. Mr. Walker noted that, in the slide after the hull was flipped, the bulbous bow was out of the water by four or five feet, which he said was much higher than what the bow will be in operation. Mr. Walker explained that the orientation of the hull was to have the bow higher because the cabin will be located forward on the hull.

Mr. Walker then reported that the project remained on schedule despite some minor hiccups with the pilot house structure and the bow thruster. In addition, Mr. Walker said, because a vibration and noise study had shown some vibration concerns, some of the structure had been beefed up from the original design.

Mr. Lamson also informed the Members that the Authority had been approached by the Woods Hole Historical Museum to see whether the Authority would collaborate with the museum to install visual displays on the vessel about the history of the village of Woods Hole. Mr. Lamson stated that, unless the Members directed him otherwise, he would be proceeding in that direction. In response, Mr. Hanover agreed that it was an excellent idea.

New Modular Building for the
Fairhaven Vessel Maintenance Facility:

Mr. Walker reported that the new modular building at the Authority's Fairhaven Vessel Maintenance Facility was substantially complete with only a very small punch list of items remaining (including certification of the elevator, which should take place later that week), that everything should be moved into the new building by the end of the following week (including communication and data lines, as well as new cameras) so that the Authority will no longer be operating in the so-called "Lobster" building, and that the "Lobster" building will then be demolished the first week of October. Mr. Walker also reported that, after the "Lobster" building is demolished, the Authority will install a drainage and stormwater control system.

Mr. Walker then gave a slide presentation to the Members of the status of the project, and noted that the Authority's neighbor had requested that the Authority erect a very high stockade fence between the two properties and that the neighbor seems to be very happy with the one that was erected. In addition, Mr. Walker noted that everything had been moved to the building from the Woods Hole stockroom and that the stockroom clerk is now assigned full time to Fairhaven, which is where the Authority needs him. Mr. Walker also showed slides of the stockroom, the full-sized training conference room (where Mr. Walker stated a training session had taken place the previous day on stormwater and pollution prevention), the office which will be used by the Maintenance Supervisor, the Maintenance Foreman and the Port Engineer, and the break room. Mr. Walker further noted that the building had electrical and plumbing shops, and that it was fully operational except for a few things.

Woods Hole Terminal Reconstruction Project:

Mr. Sayers reported that public comments were due that Friday on the Environmental Notification Form (ENF) the Authority had filed with the Massachusetts Environmental Policy Act (MEPA) Office of the Executive Office of Energy and Environmental Affairs for its Woods Hole terminal reconstruction project, and that the Authority expected to file its Notice of Intent with the Falmouth Conservation Commission in October for a hearing in November or December. Meanwhile, Mr. Sayers said, the Authority had been informed that the new State Building Code will require the new terminal building to be two feet higher than the area's flood elevation, which means that the first floor of the building will have to be 15 feet above the water instead of 13 feet (unless the Authority can get a variance).

Improvements to the Authority's WiFi Service:

Ms. Claffey reported that the Authority was continuing to monitor its free WiFi service onboard the vessels while they are underway and that recently the Authority had to do work on several aspects of the service due to lightning damage, but that she expected to have the issues resolved within the following week.

Maximo Maintenance Management Information System Upgrade:

Ms. Claffey then reported that, after a difficult process, the Authority had finally completed its statement of work that is necessary to resolve the post-upgrade issues it has encountered with its maintenance management information system (Maximo), and that it should now take another four to six weeks to complete the work.

Electronic Ticketing for Walk-on Passengers:

Ms. Claffey reported that the previous Wednesday the Authority had launched its updated mobile website that now allows its customers to buy their high-speed passenger tickets on their smart phones. Since then, Ms. Claffey said, 68 customers had booked high-speed ferry reservations using this new mobile ticketing program, which is the first step towards implementing the process for walk-on passengers on all of Authority's traditional ferries as well.

Ms. Claffey then gave a slide presentation to the Members on the updates the Authority had made to its mobile site, noting that one of the new features of the mobile site is alerting people when there are travel advisories and providing more information on the site when trips are diverted. But Ms. Claffey stated that the most significant improvement to the mobile site is the update that allows customers to make high-speed ferry reservations and look up the reservations they already have made. Ms. Claffey stated that, when customers make reservations on their mobile phones, they receive a confirmation on their phones and the Authority also sends them an email with a bar code that is used to scan the reservation.

Ms. Claffey stated, while the next step to allow customers to buy traditional ferry passenger tickets on their mobile phones will be a long process and will require additional hardware, the Authority already has learned many lessons about variations of customer mobile phones and devices. In response to a question from Mr. Hanover, Ms. Claffey stated that the Authority had updated its scanners and had purchased a small unit that helps employees capture phones at a better rate, but that the Authority will need additional equipment in order to process more passengers. In response to another question from Mr. Hanover, Ms. Claffey stated that she did not yet have a firm answer as to whether customers will be able to buy traditional ferry tickets on their mobile phones by next summer, as the Authority had not yet determined what the final product will be. Mr. Lamson also noted that there will be a lot of testing involved, and Mr. Hanover agreed that he would rather have the project completed later in order to make sure it is right.

Text Messaging for Wait List Matches and Trip Cancellations:

Ms. Claffey reported that, in July the Authority implemented a new program that allows its customers, if they so choose, to receive notices of their wait list matches and trip cancellations by text, and she noted that around 14,600 customers already have signed up for this text message notification option. Ms. Claffey further reported that the Authority's waitlist system is also now updating wait list matches continually throughout the day and notifying customers as each match is made. On the other hand, Ms. Claffey said, customers are not choosing to be alerted by text about trip cancellations, reporting that only nine customers had chosen that option for both routes, 32 customers for trip cancellations on the Nantucket route, and 69 customers for trip cancellations on the Martha's Vineyard route.

Finally, Ms. Claffey said, the Authority was still working on a few key improvements to the wait list processing that will allow non-commercial customers to elect to have their wait list requests processed until 12:00 noon the day before their scheduled departures instead of only until 48 hours before their scheduled departures. But Ms. Claffey stated that the Authority was very close to finalizing these improvements and that she hoped to have a better update for the Members at their next monthly meeting. Mr. Hanover stated that he had received many compliments from people about the Authority's new text messaging capabilities and wait list improvements, and that people were telling him that they are getting everything they want.

SeaStreak's Request to Provide High-Speed Passenger
Ferry Service between New Bedford, Oak Bluffs and Nantucket:

Mr. Sayers recounted how, in July, SeaStreak, LLC, had submitted a proposal to the Authority to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs. Mr. Sayers noted that the Authority's Licensing Policy calls for the staff to hold hearings on the proposal in New Bedford, Oak Bluffs, and Nantucket, but because Hy-Line subsequently stated that it too will be submitting a proposal to increase its ferry service between the islands of Martha's Vineyard and Nantucket, the staff was still waiting to receive that proposal so that both proposals could be the subject of the same hearings.

After Hy-Line's Vice President of Operations, R. Murray Scudder, Jr., stated that Hy-Line anticipated submitting its proposal within the following week, Mr. Sayers stated that he then hoped to be able to advertise and hold the hearings during the first two weeks of October. After that, Mr. Sayers said, the staff hopefully would be able to present its analysis and recommendations regarding the proposals at the November 2015 Port Council and Authority meetings.

2016 Summer and Fall Operating Schedules:

Mr. Lamson then asked the Members for approval of the staff's proposed 2016 summer and fall operating schedules that include the expected delivery of the *M/V Woods Hole* by the end of April 2016 (so that it can begin service at the start of the 2016 summer operating schedule on May 18, 2016) and the continued use of the *M/V Governor* during the summer season. Mr. Lamson stated that, if approved, the staff's proposed changes from this year's summer schedule on the Martha's Vineyard route would be as follows:

- The *M/V Woods Hole* will replace the *M/V Sankaty* (which will add around 70 car-equivalent spaces per day in each direction) and will also berth overnight in Vineyard Haven instead of Woods Hole. As a result, its first trip from the island will depart at 5:30 a.m., its last trip off-island at 9:45 p.m. will be eliminated, and the last trip off-island will be the *M/V Island Home*'s departure at 9:30 p.m.

- From May 18th through June 16th, the *M/V Woods Hole*, in addition to the *M/V Governor*, will be triple-crewed, allowing the *M/V Woods Hole* to make up to three additional round trips per day.
- From June 17th through September 8th, the *M/V Woods Hole's* 8:30 a.m. trip will go to Oak Bluffs instead of to Vineyard Haven, which will also result in the 9:45 a.m. return trip from Oak Bluffs being designated as a hazardous trip.
- From September 9th through October 11th, the *M/V Katama* will replace the *M/V Woods Hole* on this route.

Mr. Lamson also stated that, if approved, the staff's proposed changes with respect to the Nantucket route's summer schedule would be:

- The *M/V Sankaty* would provide service on this route, in addition to the *M/V Eagle* and the *M/V Gay Head*, from May 18th through May 23rd, and then again from June 2nd through June 16th. The *M/V Nantucket* would replace the *M/V Sankaty* over the Memorial Day weekend (May 24th through June 1st) and then again beginning on June 17th through September 8th.
- The *M/V Woods Hole* will be assigned to this route beginning on September 9, 2016 to replace the *M/V Gay Head* on its schedule (with a triple crew), adding around 30 car-equivalent spaces per day in each direction, and the *M/V Gay Head* in turn will replace the *M/V Sankaty* on its schedule (with a single crew). The *M/V Gay Head* will be scheduled to provide two round trips per day Mondays through Fridays from September 9th through September 20th, and then only one round trip per day Mondays through Fridays from September 21st through October 11th (although it will still be available to provide a second round trip on those days).

Mr. Lamson further stated that, during the 2016 Fall Schedule (October 12, 2016 through January 3, 2017), the *M/V Woods Hole* will once again be assigned to the Martha's Vineyard route, this time in place of the *M/V Katama* as the sole freight boat on that route, and it will be double-crewed to provide four trips a day, seven days a week. Mr. Lamson noted that the other vessels on the Martha's Vineyard route during the fall will be the *M/V Island Home* and the *M/V Nantucket*, and that the two vessels assigned to the Nantucket route during the fall will be the *M/V Eagle* and the *M/V Gay Head*.

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

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve the management staff's proposed 2016 Summer, Late Summer and Fall Operating Schedules, as recommended by management in Staff Summary #TPF-2015-9, dated September 16, 2015.

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

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

Mr. Lamson then asked the Members for authorization to proceed with the engineering and design services for the mid-life refurbishment of the *M/V Martha's Vineyard* so that the Authority can obtain a more accurate estimate of the cost and timeline that will be needed to complete the proposed scope of work and can then issue an invitation for bids for the work. Mr. Lamson stated that the refurbishment work would take four to five months, and the Authority needs to make certain that it can afford the work and fit it in with all of the other maintenance work that needs to be done.

Mr. Lamson also noted that the preliminary budget estimate for the mid-life refurbishment work was almost \$12,000,000 and that, with a ten percent contingency and the inclusion of engineering and naval architectural services, the total cost estimate for the project was around \$14,000,000. In this regard, Mr. Hanover observed that the project would not include any work on the vessel's engines, which the staff is stating are fine. In response, Mr. Walker confirmed that the vessel's propulsion system was maintainable and in good shape, and that he was not proposing changing out the system at this point.

Mr. Walker then reviewed the list of major refurbishments and improvements included in the proposed scope of work that was provided to the Members:

- More interior passenger cabin space and an upgrade of that space which would include a complete gutting of the space down to bare steel.
- Installation of a second elevator from the port mezzanine to the 02 passenger deck to allow access for passengers with disabilities across the vessel so they can board and disembark on opposite sides of the mezzanine deck instead of having to board or disembark by means of the freight deck.
- Creation of a food concession area, restrooms and a Purser's office in a center island on the 02 passenger deck, similar to what currently exists on the *M/V Eagle*.
- Upgrade of the crew quarters.
- Replacement of all joiner and weather tight doors.
- Upgrade of the bow and stern doors from doors that open vertically to ones that open horizontally (similar to the *M/V Island Home's* doors).
- Replacement of all exterior windows so they are clamped in place instead of being bolted in place.
- Replacement of the rescue boat davit. In this regard, Mr. Walker stated that there is a chance that the Authority may have to have a second davit, but that would only be required if the project were considered a "major modification" and he did not believe it will be considered a "major modification."
- New main and emergency switchboards to replace the obsolete ones that are over 20 years old.
- Addition of a third generator so that the vessel can continue to provide service if one of its generators has a problem.
- Replacement of the exterior furniture.
- Replacement and addition of seats to the newly extended 03 deck area for passengers, providing much more outside passenger seating.
- Sandblasting of the exterior superstructure and hull to bring them down to bare steel.
- Replacement of the two existing generators, which can then be used for spare parts.

- Replacement of the exterior handrails and fencing, which will result in the same look as the *M/V Island Home* and the *M/V Woods Hole*.
- Upgrade of the propellers, which will increase efficiency by 4-to-5% and reduce vibration by 40%. Mr. Walker stated that this will result in increased fuel efficiency, particularly on the Nantucket route.
- Relocation of the inflatable buoyant apparatuses and the incorporation of a new marine evacuation slide (MES) system.
- Upgrade of the pilot house, including an upgrade of the electronics.
- Upgrade of the firefighting system from a CO₂ system to a FM200 system that can be deployed without loss of life.
- Crop out of the port anchor pocket.
- Upgrade of the steering system, which is becoming obsolete.
- WiFi upgrades.
- Electrical plugs, cup holders at the passenger seats, tray tables on the seatbacks, additional televisions, and an interior design for easy cleaning.

However, Mr. Walker stated that the proposed scope of work did not include an upgrade of the rudders to Becker rudders, as at that point no one felt that the vessel had an operational or maneuvering problem.

After finishing his review of the list, Mr. Walker said that the preliminary budget estimate was just a guess at this time, that the Authority had to engage the services of a naval architect to obtain a good estimate, and that after the work is completed the vessel would be a brand new boat except for the hull and engines. Mr. Lamson then stated that the staff was asking to proceed with a request for proposals (RFP) from naval architectural firms, which would be received by the end of October 2015, and that the staff would then review those proposals with the Port Council and the Members at their November 2015 meetings.

A member of the audience asked the Members, when they install a new elevator on the *M/V Martha's Vineyard*, to look for one that can accommodate the largest mobility scooter on the market so that all passengers on the vessel can have a pleasant trip. She recounted how her father's mobility scooter had not fit in the elevator of another of the Authority's vessels and how he then had to be moved to a wheelchair in order to get to the passenger deck.

Ms. Tierney noted that, given that the project was such a large capital expenditure, she was glad to see that every item on the proposed scope of work had been vetted by a committee, and she asked who the committee members are. In response, Mr. Walker stated that the committee was comprised of himself, the Port Captain and Assistant Port Captain, the Port Engineer and Mr. Lamson, and that the senior staff had been invited to that meeting. In response to another question from Ms. Tierney, Mr. Walker stated that the committee had met two or three times, that the Authority's Senior Captains, Senior Chief Engineers and operating crews also had worked with the committee and that, in fact, some of the proposed work items on the list had been the operating crews' ideas.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to authorize the management staff to proceed with the engineering and design required to develop an invitation for bids for the mid-life refurbishment of the *M/V Martha's Vineyard*, as described by management in Staff Summary #E 2015-6, dated September 4, 2015.

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

Barnstable Municipal Airport Commission Leases:

Mr. Lamson reported that the Authority had renewed its leases with the Barnstable Municipal Airport Commission for its two parking lots on Brooks Road and Mary Dunn Way in Hyannis. Mr. Lamson noted that one lot is used to stage trucks when there is no room for them to stay at the Authority's Hyannis terminal, and that the other lot (which is seven acres) is used for customer parking. Mr. Lamson also stated that the Authority was happy to be able to reach these agreements and that both lease renewals are for ten years, although each of them can be terminated on twelve months' notice. Finally, Mr. Lamson said, because all of the documents had been signed, sealed and

delivered, there was no longer any need to hold any discussions about this subject in executive session.

Proposed 2016 Operating Budget:

Mr. Davis then presented the preliminary draft of the staff's proposed 2016 Operating Budget for the Members' review and comments, noting that the final budget will not need to be approved until the Authority's next meeting on October 20, 2015. Mr. Davis stated that the Authority's total operating expenses in 2016 are expected to be around \$91,000,000, which represents a \$1,800,000 or 2.0% increase in total operating expenses compared to the most recent estimate for 2015 (based on seven months of actual expenses and five months of budgeted expenses, including projects that previously were expected to be undertaken in 2016 but have now been accelerated into 2015), and that five expense items account for the bulk of the increases in expenses:

- Payroll expense is expected to increase by \$1,545,000 (or 5.0%) from this year's estimate, and the increase is attributable to a change in the number of vessel operating days, crewing changes from double to triple crews, wage increases, an increase in the number of employees in the Reservation Office, and the expansion of the vessel repair schedule into the summer season.
- Health care costs are expected to increase by \$868,000 (or 12.1%).
- Depreciation expense is expected to increase by \$926,000 (or 9.4%), as there will be a full year of depreciation for the Fairhaven Vessel Maintenance Facility's new modular building and the Thomas B. Landers Road parking lot, and a partial year of depreciation for the *M/V Woods Hole*.
- Insurance expense is expected to increase by \$358,000 (or 11.4%) due to the additional insurance coverage for the *M/V Woods Hole*.
- Vessel fuel expense is expected to increase by \$473,000 (or 7.9%) from the updated estimate for 2015. In this regard, Mr. Davis noted that while crude oil is currently trading around \$45-\$50 per barrel, the staff was expecting crude oil prices to range between \$52 and \$62 per barrel in 2016 based upon a review of twelve "expert" predictions.

Mr. Davis also noted that other significant changes in the proposed 2016 Operating Budget include:

- Terminal repairs are expected to decrease by \$2,250,000 as dolphin and dock repairs are expected to go down by \$1,550,000 due to the significant amount of work that will be done at the Nantucket terminal before the end of this year.
- Dry-dock expense is expected to decrease by \$2,448,000, in part due to having the *M/V Governor* dry-docked this fall.

Mr. Davis then stated that, in 2016, the Authority's total operating revenues are projected to be around \$99,330,000, representing a \$747,000 (or 0.8%) increase from this year's currently estimated revenues and that, as a result, even without any rate increases next year, the staff was projecting a net operating income next year of around \$6,400,000. In this regard, Mr. Davis stated that next year the cost of service was projected to be allocated 57% to the Martha's Vineyard route and 43% to the Nantucket route, while the islands' revenues were projected to be allocated 56% and 44%, respectively.

In response to a question from Ms. Gladfelter about what impact he felt the overseas sale of United States oil would have on the oil market, Mr. Davis observed that at this time Saudi Arabia was trying to keep the price of oil low in order to drive companies that are fracking for oil out of business. Mr. Davis also noted that the current glut of oil was at record volumes and the supply was expected to continue, especially since Iran will most likely be re-entering the market.

M/V Governor Dry-dock and Overhaul Services Contract:

Mr. Lamson then asked the Members to award Contract #16-2015 for dry-dock and overhaul services for the *M/V Governor* 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 \$976,140. In response to a question from Ms. Gladfelter, Mr. Walker stated that it is typical for the Authority to receive bids with such different amounts and that the differences are usually explained by looking at the shipyards submitting the bids. For example, Mr. Walker said, a large shipyard might submit a bid that is double or triple the amount of a smaller shipyard's bid if the project is a small one, while for larger projects it might end up being the low bidder. In response to a question from Ms. Tierney, Mr. Walker confirmed that all of the shipyards were

bidding on exactly the same scope of work. Then, in response to another question from Ms. Gladfelter, Mr. Walker stated that he typically gives shipyards 30 days to come up with their bids, although he gives them two months for larger projects.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to award Contract No. 16-2015, "Dry-dock and Overhaul Services for the *M/V Governor*," to the lowest eligible and responsible bidder for the contract, Thames Shipyard and Repair Company of New London, Connecticut, for the Total Contract Price of \$976,140, as recommended by management in Staff Summary #E 2015-8, dated September 17, 2015.

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

Nantucket Terminal Pier Work – Slip 1 and Slip 2:

Mr. Lamson then reported that, in accordance with the authorization the Members had given him at their meeting the prior month, he had awarded Contract #17-2015 for "Nantucket Terminal Pier Work – Slip 1 and Slip 2" to AGM Marine Contractors, Inc. of Mashpee, Massachusetts, for a Total Contract Price of \$1,846,050. Mr. Lamson stated that, when the bids for the contract were opened, AGM Marine Contractors turned out to be the lowest eligible and responsible bidder for the contract. Mr. Lamson also stated that, even though the amount of the contract was almost \$2,000,000, he had proceeded to award it in order to get as much of the work completed as possible before the end of the year.

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed all of the subjects that had been before the Members that day, and that they also had voted to recommend that the Authority issue a request for proposals from naval architects to develop plans and specifications for the mid-life refurbishment of the M/V Martha's Vineyard and that the staff's proposed 2016 Summer and Fall Operating Schedules be approved.

Public Comment:

Woods Hole resident Albert ("Ted") Fitzelle stated that he has been the Town of Falmouth's representative on the Authority's Woods Hole parking lot committee for the past 25 years and that he was concerned about the growth of the traffic to Martha's Vineyard. Mr. Fitzelle recounted how, 25 years ago, the Authority transferred its Nantucket trips from Woods Hole to Hyannis and he observed that the new route has been successful. He also declared that it was very unreal for the Authority to say that there is not going to be any more growth in traffic, and that the Authority needed a second lifeline to Martha's Vineyard. In response, Mr. Hanover asked Mr. Fitzelle whether he had seen the Authority's traffic reports for the last ten years, and Mr. Fitzelle said that he had but that he does not believe them.

Anne Halpin of Woods Hole Road declared that if what is being proposed for Woods Hole were proposed for Nantucket, it would not be happening, that it is too large, and that New Bedford offers some solutions.

At approximately 10:59 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, including:

- the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot;
- the renewal of restrictive covenants to Ellen Fisher Tully and Frederick Fisher with respect to the Woods Hole terminal property;
- the potential acquisition of additional property in Hyannis; and

- negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Services Department employees.

After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and he announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

Documents and Exhibits Used at the
September 22, 2015 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. September 22, 2015 Meeting Memorandum, dated September 17, 2015.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the August 18, 2015 Meeting in Public Session.
4. Business Summary for the Month of July, 2015.
5. Staff Summary #TPF-2015-9, dated September 16, 2015 – Proposed 2016 Summer and Fall Operating Schedules.
6. Staff Summary #E2015-6, dated September 4, 2015 – “*M/V Martha's Vineyard* Mid-life Refurbishment Engineering and Design Services.”
7. Staff Summary #A-587, dated September 17, 2015 – Preliminary Draft of Proposed 2016 Operating Budget.
8. Staff Summary #E2015-8, dated September 17, 2015 – Contract #16-2015, “Dry-dock and Overhaul Services for the *M/V GOVERNOR*.”
9. Staff Summary #2015-7, dated September 17, 2015 – Contract #17-2015, ““Nantucket Terminal Pier Work – Slip 1 and Slip 2.”
10. Minutes of the Port Council's September 9, 2015 Meeting (Draft).
11. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

October 20, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of October, 2015, beginning at 9:30 a.m., in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Vice Chairman Robert V. Huss of Oak Bluffs, and Port Council Secretary 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; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Oak Bluffs Terminal Manager Bridget Tobin; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Martha's Vineyard Community Television (MVTV) would be making a video and audio recording of today's meeting in public session.

Recognition of Public Officials:

Mr. Hanover then welcomed Leon Brathwaite, Chair of the Dukes County Commission, Michael Santoro, Chair of the Oak Bluffs Board of Selectmen, and Mr. Santoro's fellow Oak Bluffs Selectman Gregory Coogan.

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to approve the minutes of the Members' meeting in public session on September 22, 2015 with the corrections noted by Mr. Ranney at today's meeting.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for August 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 1.8%), more automobiles (up 3.0%) and more trucks (up 4.6%) during the month than it had carried during the same month in 2014. Mr. Lamson also reported that the Authority's operating revenues and other income were \$597,000 higher than projected in August 2015, and that its operating expenses and fixed charges were \$857,000 lower than budgeted. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$9,823,000, approximately \$1,454,000 higher than projected.

Mr. Lamson further reported that, for the first eight months of 2015, the Authority's operating revenues and other income had been around \$2,492,000 higher than projected, its operating expenses and fixed charges had been around \$2,423,000 lower than budgeted (of which \$2,315,000 was due to vessel fuel oil expenses being lower than budgeted) and, as a result, the Authority's net operating income had been around \$12,737,000, approximately \$4,915,000 higher than the amount projected in the Authority's 2015 operating budget. Mr. Lamson noted that this increase in the Authority's net operating income will result in the transfer of more funds to the Authority's

Replacement Fund and Bond Redemption Account, which the Authority can then use for future capital projects instead of having to issue bonds for them.

Mr. Ranney observed that the Authority's vessels had consumed 20,000 more gallons of fuel than what had been budgeted for August 2015 (compared to 32,000 more gallons for the first eight months of the year), and he expressed concern that the Authority's Captains might be casually using more fuel now that its price had gone down. But Mr. Davis stated that a significant portion of the additional fuel consumption was attributable to extra unscheduled trips that the Authority ran with the *M/V Katama* at the end of August.

Construction of the *M/V Woods Hole*:

Mr. Walker reported that the construction of the *M/V Woods Hole* was continuing to go well, that last week Conrad Shipyard had erected the majority of the vessel's superstructure and anticipates that the full weld out will be complete by the end of October, and that afterwards work will begin on the interior bulkheads. Mr. Walker also reported that, while things were going well, there had been a few hiccups with some equipment not arriving on time as planned, as well as some structural changes that had to be made to the vessel due to a vibration and noise report, and that he was headed to Louisiana later that day to discuss these issues with Conrad on Thursday. Mr. Walker stated that he would then let the Members know if the Authority is still on target for the delivery date of April 29, 2016 and that, while Conrad had assured him that they also want the vessel to be delivered as scheduled, everyone will have to look at these issues and be realistic.

Mr. Walker also reported that two weeks ago he had witnessed the factory tests of the vessel's controllable pitch propellers in Denmark, that most of that equipment already was shipped to the shipyard two weeks ago, and that the last gearbox should be shipped separately this week.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the deadline had passed for submitting public comments with the MEPA unit of the Massachusetts Executive Office of Environmental Affairs on the Authority's Environmental Notification Form (ENF) for the Woods Hole Terminal Reconstruction Project, and that the Authority was now awaiting the Secretary's certificate on the ENF. Mr. Lamson

noted that the comment period had been extended to October 13, 2015 because, earlier this month, the Authority had submitted more information about the project, including revised plans for the ferry slips locating the new southern dolphins in the same area as the existing dolphins in order to avoid any impact to eelgrass beds.

Mr. Lamson further reported that the Authority had been informed that next year there will be a new edition of the State Building Code which will require an increase in the elevation of the terminal building's first floor from the base flood elevation (BFE) of 13 feet to the BFE plus 2 feet as measured to the underside of the lowest horizontal structural member. Mr. Lamson observed that, assuming the thickness of the floor will be one foot, the State Building Code will require the elevation of the first floor to be at least 16 feet. In addition, Mr. Sayers said, last month the Authority had met with representatives of the Massachusetts Office of Coastal Zone Management (CZM), who stated that the Authority will need to incorporate an additional two feet of flood mitigation measures above the anticipated new building code requirement, which could be accomplished by "dry" floodproofing methods to that elevation (*e.g.*, installing flood panels) or "wet" floodproofing methods (designing the building to allow flood waters to pass through it).

Mr. Lamson noted that raising the elevation of the terminal building to meet these new requirements would significantly and adversely affect the terminal's accessibility for individuals with disabilities, as customers would have to go up several ramps to get into the building and then back down several ramps to get to the ferry slips. As a result, Mr. Lamson said, the Authority will be applying to the State Board of Appeal for a variance to allow the terminal building to be as low as possible, although this will probably require the Authority to floodproof the building up to 17 or 18 feet above sea level.

New General Offices Building:

Mr. Lamson then reviewed with the Members the schematic drawings of the Authority's new General Offices building that will be located in the Palmer Avenue parking lot, as well as the comparison of the amount of space each department has in the current General Offices building with how much space it will have in the new building. Mr. Lamson noted that the principal increases in space are for the Information Technologies Department, which is currently beyond cramped in the existing General Offices building. Mr. Lamson also noted that the Authority will try to restore the existing barn at Palmer Avenue

and incorporate it into the new building and, if the barn cannot be restored, it will be replicated in the new design. Finally, Mr. Lamson stated that, at the end of the schematic design phase, the Authority will receive an initial cost estimate for the building, which will indicate whether the Authority needs to reduce its footprint in order to reduce its cost.

In response to questions from the audience, Mr. Lamson stated that the demolition of the General Offices building at the Woods Hole terminal will not result in the addition of any parking spaces there, as the wharf underneath the building is also being excavated. However, Mr. Lamson noted that the employee parking lot at the southeast corner of the terminal will remain.

Ms. Gladfelter expressed her hope that the new General Offices building at the Palmer Avenue parking lot will be sensitive to the historic nature of that area.

Information Technology Systems Improvements:

Ms. Claffey then reported on the various improvements the Authority is making to its information technology systems, as follows:

- (a) The Authority has completed all of the paperwork to proceed with the necessary changes for a further upgrade of its Maximo computerized maintenance management information system. The changes that are needed to resolve the various issues with the system have been reviewed and finalized, and the processing is expected to take four to six weeks to complete (although the Authority is doing everything it can to expedite the process).
- (b) The Authority is in the testing stage of the change that will also allow customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to until noon the day before their scheduled sailing. The Authority hopes to resolve the remaining issues quickly so that it can roll out this additional option for its customers very soon.

In response to a comment by Martha's Vineyard resident Susan Shay that she recently had been unable access the Authority's free WiFi service on the *M/V Island Home*, Ms. Claffey stated that the vessel's WiFi service had been affected by a lightning strike a few weeks ago and that the Authority had to

make some changes and install new hardware to bring the service back online. Ms. Claffey also reported that, to date, there had been 350 transactions of customers purchasing high-speed ferry tickets on their mobile devices,

Mid-life Refurbishment of the M/V Martha's Vineyard:

Mr. Lamson then reported that the staff was currently in the process of requesting proposals from Elliott Bay Design Group and Gilbert Associates, Inc. to perform the design and engineering work for the mid-life refurbishment of the *M/V Martha's Vineyard* and that their proposals were due the following week. Accordingly, Mr. Lamson said, he hoped that the staff would be in a position at the next Authority meeting to make a recommendation as to which firm to use for that work.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that the Authority was still experiencing problems with stormwater runoff at its Thomas B. Landers Road parking facility, but that the engineers for the project were soon expected to propose possible solutions to the Authority. In this regard, Mr. Lamson noted that the parking lot had been designed to handle a five-inch rain event, but that the lower portion of the parking lot begins to flood after less than one inch of rainfall, and he stated that hopefully the staff will have this matter resolved by next month's Authority meeting.

In response to questions from the Members, Mr. Lamson stated that the staff was trying to determine whether the problem was with the nonporous ring road around the parking lot or with the porous pavement, and that the Authority had contacted a couple of other engineering firms to have them take a look at the situation and see what the Authority can do to rectify it.

Agreement with the Wampanoag Tribe of Gay Head (Aquinnah):

Mr. Sayers asked the Members to approve a Memorandum of Agreement with the Wampanoag Tribe of Gay Head (Aquinnah), pursuant to which the Tribe will transfer to the Authority a portion of the funds it receives under the federal government's Tribal Transportation Program (TPP). Mr. Sayers stated

that the Authority will then be able to use those funds to maintain, operate and repair the boat line, and the Authority will in turn provide Tribal Members with reduced fares to and from Martha's Vineyard. Mr. Sayers observed that this proposed arrangement probably represents the most efficient way the Tribe can reduce the cost of transportation for its Tribal members, while providing funds to the Authority to help sustain its operations for everyone's benefit.

Mr. Sayers also noted that the Agreement envisions that the Tribe will initially transfer \$200,000 of its TTP funds to the Authority, and that the Authority will provide eligible Tribal members with a 20% discount on their otherwise applicable non-commercial vehicle fares. Mr. Sayers stated that the Tribe will provide the Authority with the list of Tribal members who are eligible for those fares, and that the Authority will provide the Tribe with regular reports on how much travel is taken by Tribal members on those fares. When the aggregate value of those discounts gets close to \$200,000, Mr. Sayers said, the Authority will then discuss with the Tribe whether they want to continue the discounts or try something different with respect to future TTP funds.

Mr. Sayers also noted that, more importantly, this Agreement will be the first time the Authority has ever entered into any type of a formal arrangement with the Tribe, and he stated that both parties hope it will be only the first step of a long-term cooperative relationship that will serve everyone's needs, not only for the Tribe and individual Tribal members, but also for the Authority and all of its passengers. The Tribe's Chairman, Tobias Vanderhoop, then thanked the Members for considering the Agreement, observing that it will be an excellent opportunity for developing a long-term partnership between the Authority and the Tribe. Chairman Vanderhoop further stated that he looked forward to developing other opportunities to enhance that partnership.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to authorize the General Manager:

- (a) to enter into a Memorandum of Agreement with the Wampanoag Tribe of Gay Head (Aquinnah), in substantially the form attached to Staff Summary #L-450, dated October 13, 2015, pursuant to which the Tribe will transfer Tribal Transportation Program (TTP) funds to the Authority (that the Authority will use to maintain, repair and operate its boat line in accordance with its Enabling Act), and the Authority in turn will make available reduced price automobile and passenger fares to all enrolled Tribal members, as**

**more fully set forth in the Memorandum of Agreement;
and**

- (b) to execute all documents and take all actions that are necessary and appropriate to fulfill the Authority's obligations under the Memorandum of Agreement.**

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

Hy-Line's and SeaStreak's License Requests:

Mr. Sayers recounted how, in July, SeaStreak, LLC, had submitted a proposal to the Authority to operate a second high-speed passenger ferry on a summer seasonal basis beginning next year that will provide two daily round trips between New Bedford and Nantucket with stops each way at Oak Bluffs, and that Hyannis Harbor Tours, Inc. ("Hy-Line") had informed the Authority that it also would be submitting a proposal to provide additional inter-island ferry service. Mr. Sayers reported that, in late September, Hy-Line had submitted a slightly different proposal, which includes retiring its traditional ferry, the *M/V Brant Point*, which Hy-Line operates on a summer seasonal basis between Hyannis and Oak Bluffs, and operating a new high-speed passenger ferry (with a capacity of between 300 and 350 passengers) between Hyannis and Oak Bluffs in lieu of its high-speed passenger ferry, the *M/V Lady Martha* (that has a capacity of 149 passengers), for five of the *M/V Lady Martha's* six daily round trips, and to operate the *M/V Lady Martha* between Oak Bluffs and Nantucket, providing three round trips a day in addition to a morning daily trip from Hyannis to Oak Bluffs and an evening daily trip from Oak Bluffs to Hyannis. Mr. Sayers also reported that, last week, SeaStreak had submitted an alternative proposal to provide direct high-speed ferry service between New Bedford and Nantucket during the summer.

Mr. Sayers then stated that, in accordance with the Authority's Licensing Policy, the staff had scheduled hearings on both SeaStreak's and Hy-Line's proposals for the following week in Nantucket (October 26th), Oak Bluffs

(October 27th), New Bedford (October 28th) and Hyannis (October 29th) so that the hearings can be held before the expiration of the public comment period for the proposals. Mr. Sayers also stated that, after the expiration of the public comment period, the staff would develop their recommendations regarding the proposals for consideration by the Port Council at their next meeting on November 4th so that the Members can then consider the proposals at their next meeting on November 17th.

Hy-Line Vice President R. Murray Scudder, Jr. stated that he would like to clarify that Hy-Line had submitted a two-part request, one part that included retiring a traditional ferry and replacing it with a faster ferry between Hyannis and Oak Bluffs, and another part to increase its inter-island service. Mr. Scudder stated that Hy-Line would like to make its proposed changes to its Hyannis-to-Oak Bluffs service regardless of whether the Authority approved Hy-Line's request to increase its inter-island service.

SeaStreak President James Barker stated that SeaStreak decided to submit its proposal to provide service between New Bedford and Nantucket with the second Vineyard 95 ferry that it originally had used between New Bedford and Martha's Vineyard and which had been built specifically to fit in the Authority's slips. Mr. Barker acknowledged that the ferry has a capacity of 150 passengers and thus the service could carry only around 3% of the market of Nantucket-bound passengers, but he stated that SeaStreak hoped to grow that market by making Nantucket more convenient for tourists and islanders. Mr. Barker also stated that SeaStreak was working with Enterprise Rent-A-Car to have rental cars available for islanders at the New Bedford State Pier, where they could also be dropped off for free.

Mr. Jones recounted how the Port Council had a very long discussion regarding these proposals at their last meeting and that, ultimately, the Port Council had voted to recommend that Hy-Line's proposals be bifurcated so that the Members can consider Hy-Line's proposal to retire the *M/V Brant Point* and replace it on the Hyannis-to-Oak Bluffs route with a faster ferry without the necessity of public hearings. Mr. Jones stated the majority of the Port Council members felt that this would be consistent with how the Authority had handled Hy-Line's request last year to retire the *M/V Great Point* and replace it on the Hyannis-to-Nantucket route with a faster ferry, when the Authority simply asked for public comment. Mr. Jones noted that this would allow Hy-Line to obtain the vessel it is looking for, which is very difficult to find, while the other proposals would go to public hearings.

However, Ms. Gladfelter stated that she would like public hearings to be held on all of the proposals, observing that it is a fluid process and that Hy-Line's proposed replacement of its traditional ferry with a new high-speed ferry would indirectly affect people going to Martha's Vineyard from Woods Hole. In addition, Ms. Gladfelter said, Hy-Line's new ferry presumably could instead be used on the Hyannis-to-Nantucket route, and she declared that she would rather see the Authority follow the entire public process set forth in its Licensing Policy.

Ms. Tierney agreed, observing that the Members' previous discussions have been to have complete transparency in the process and to obtain all of the relevant information. Further, Ms. Tierney said, the hearings would be finished the following week and thus should not impact Hy-Line's ability to obtain its new ferry. Ms. Tierney also stated that she felt the Members would be better off if they had information on every aspect of the all of the proposals.

However, Mr. Hanover stated that he did not see any difference between Hy-Line's request to make changes to its Hyannis-to-Oak Bluffs service and its request last year to make changes to its Hyannis-to-Nantucket service and, while he did not have any problem receiving public comments on that request, he did not think that it was necessary to hold hearings before voting to approve it. Mr. Hanover noted that he also had discussed Hy-Line's request with the Oak Bluffs Board of Selectmen and the Dukes County Commissioners, and no one had opposed the request.

On the other hand, Mr. Ranney stated that he would like to hear from the public on all of the proposals so that he could best serve his constituents after having received all of the information. Then in response to a question from Mr. O'Brien, Mr. Scudder stated that it was hard to say if a 30-day delay would be critical with respect to Hy-Line's efforts to obtain its new ferry, although he said that having more time to make the proper renovations would be beneficial in terms of starting the service next spring. Hy-Line's Director of Public Affairs and Business Development Marty Reilly then asked whether, if it turns out that there is no opposition to Hy-Line's request, the Members could convene a special meeting so that Hy-Line can move forward as quickly as possible to acquire the vessel, recognizing that such vessels are so scarce.

But Ms. Gladfelter noted that she had been an Authority Member for six months and that this was the first time she had heard of Hy-Line's proposal. Accordingly, she asked why, if Hy-Line's proposal was so time sensitive, she had not heard of it before today. Ms. Tierney also expressed her concern that the Members had to balance Hy-Line's interests with the interests of all of the Authority's ratepayers, and she stated that going through the process with all

three proposals would give the Members the information they need to make the proper decision for those who have charged them with these responsibilities. Further, Ms. Gladfelter said, the decisions the Authority will be making were for the whole region, because any change in one part of the region may have impacts on other parts of the region, and she would like the public to have the opportunity to comment on all of the proposals before the Authority acts.

Accordingly, Mr. Hanover declared that it was the will of the Members for the Authority to hold public hearings on all of the proposals and that, after the public hearings are held, the Authority will go from there.

Bulk Freight Reservation Policies:

Mr. Lamson then asked the Members to approve the staff's proposed changes to the Authority's bulk freight reservation policies, as follows:

- Reclassifying what a "frequent shipper" is so that a shipper has to make an average of three round trips per week, instead of only one round trip every two weeks, in order to be classified as a "frequent shipper." In this regard, Mr. Lamson stated that bulk freight reservation requests from "frequent shippers" will continue to be processed before other bulk freight reservation requests.
- "Smoothing" a shipper's bulk reservation requests that are only for certain days of the week so that they are spread more evenly throughout the week in order not to disrupt other shippers' regular delivery times.
- Limiting the number of bulk freight reservations that each shipper can request to a maximum of 110% of its prior year's usage during the same seasonal operating schedule in order to increase the number of shippers who are able to obtain reservations. Mr. Lamson noted that a shipper's requests for reservations exceeding 110% of its prior year usage will be processed after all other shippers' requests are processed.

Mr. Lamson noted that the changes, which would go into effect at the commencement of the 2016 summer operating schedule, would mostly affect freight shippers on the Nantucket route, as there are more trips on the Martha's Vineyard route that allow shippers to get to the island earlier in the day. Mr. Lamson also observed that the changes would not apply to hazardous freight reservations, as those shipments depend more upon the weather and have to be transported on specific trips. Finally, Mr. Lamson stated that the

staff had discussed the changes with both the Port Council, who voted to recommend that the changes be adopted, and the Authority's freight shippers, who did not express any opposition to the changes during the four meetings the staff held with them the prior week.

In response to a question from Mr. Hanover, Mr. Lamson stated that, in order to be considered a "frequent shipper," a shipper has to make an average of three round trips per week only during the prior year's seasonal schedule for which it is requesting reservations; the shipper does not have to make an average of three round trips per week for the entire year. Then, in response to a question from Ms. Gladfelter, Mr. Rozum stated that he would find out how many shippers are considered to be "frequent shippers" under the current policies compared to how many will be considered to be "frequent shippers" under the proposed new policies.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to approve the changes to the Authority's current bulk freight reservation policies, as recommended by management in Staff Summary #TPF-2015-10, dated October 16, 2015.

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

2016 Operating Budget:

Mr. Davis then asked the Members to approve the staff's proposed 2016 Operating Budget, which he noted had been developed using the approved operating schedules through December 31, 2016. Mr. Davis also noted that, since the last Authority meeting, there had been some minor revisions to the budget, including adjustments to the revenue and expense estimates for 2015 to eight months of actual results and four months of budget projections (including adjustments to those projections for anticipated traffic levels and

additional expected expenses due to certain projects being accelerated into the current year).

Mr. Davis reported that the operating expenses for 2016 were projected to exceed \$91,000,000, an increase of 2.1% or \$1,911,000 compared to the most current estimate for 2015, and that the major cost increases were attributable to higher payroll and health care costs which were expected to increase 5.0% and 16.6%, respectively. Further, Mr. Davis said, an additional \$891,000 in depreciation expense is expected to be charged against income in 2016 in connection with the Fairhaven maintenance shop building and the parking lot improvement at Thomas B. Landers Road for a full year and the *M/V Woods Hole* for a partial year. Mr. Davis also noted that the Authority's insurance expense is similarly expected to increase by \$351,000 due to the need to obtain insurance coverage for the *M/V Woods Hole*.

However, Mr. Davis observed that terminal repairs are expected to decrease next year by more than \$2,000,000, principally due to anticipated dolphin and dock repairs decreasing by \$1,550,000 given that a significant portion of the Nantucket terminal repairs have been accelerated into 2015. Similarly, Mr. Davis stated that vessel dry-dock expenses are expected to decrease next year by \$2,448,000 due to the Authority's decision to dry-dock the *M/V Governor* before the end of this year.

Mr. Davis further stated that, in 2016, vessel fuel oil expenses are expected to increase by \$962,000 compared to the current estimate for 2015. Mr. Davis observed that, while crude oil is currently trading around \$45 to \$50 per barrel, after reviewing thirty "expert" predictions, the staff anticipates that it will trade between \$52 and \$62 per barrel during 2016.

Mr. Davis also reported that the Authority's operating revenues for 2016 were expected to be around \$99,330,000, representing a \$760,000 (or 0.8%) increase from the estimated revenues for 2015, with automobile revenue expected to increase by 0.9%, freight revenue expected to remain essentially level, passenger revenue expected to increase by 1.2%, and parking revenue expected to decrease by 0.6%. Mr. Davis stated that, based on projected revenues for 2016, the Authority net operating income next year is expected to be approximately \$6,412,000, and that the staff was not recommending any rate increases for 2016.

Mr. Davis stated that the Authority's cash budget also indicates that sufficient cash transfers will be provided to the Authority's special purpose funds during 2016, including the Authority's Sinking Fund requirements of \$1,424,500 on September 1, 2016 and again on March 1, 2017, when the

Authority will also be required to make a \$5,805,000 bond principal payment. In addition to that \$8,654,000 which will be transferred to the Sinking Fund, Mr. Davis stated that he anticipated that another \$8,917,000 will be transferred to the Replacement Fund. Finally, Mr. Davis observed that the Martha's Vineyard route was expected to account for 57% of the Authority's cost of service next year (with the Nantucket route accounting for 43%), while it was expected to account for 56% of the Authority's revenues.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to adopt the Authority's 2016 Operating Budget, as proposed by management in Staff Summary #A-588, dated October 14, 2015.

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

Transportation Agreement with the
Martha's Vineyard Regional High School District:

Mr. Davis asked the Members to renew 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, 2016 through June 30, 2017. Mr. Davis noted that every year the Authority enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st). Mr. Davis recounted how the fixed price is intended to reflect approximately a 50% discount over applicable tariff rates and that, for each of the last five years, the agreement established a fixed price of \$60,000, which reflected approximately a 50% discount over applicable tariff rates. Mr. Davis stated that the fixed price under the proposed new agreement would also be \$60,000, as the amount of school-approved travel has remained relatively steady over the years.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. O'Brien -- 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 \$60,000 for the period from July 1, 2016 through June 30, 2017, as recommended by management in Staff Summary #A-589, dated October 14, 2015.

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

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

Mr. Lamson asked the Members for authorization to award Contract #22-15 for "Dry-dock and Overhaul Services for the *M/V Gay Head*" to the lowest eligible and responsible bidder for the contract after bids for the contract are opened on October 28, 2015. Mr. Lamson stated that he had hoped to have the bid results by today, but that with everything else going on the bid opening had to be rescheduled. Mr. Lamson also noted that the *M/V Gay Head* is scheduled to be in the shipyard from November 9, 2015 through December 16, 2015 to undergo a required United States Coast Guard hull exam, machinery inspections, underwater hull cleaning and painting, superstructure painting, grid cooler replacement, rudder and propeller inspections and repairs, preservation of shell plating replacement, and repairs to propulsion shafting.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to authorize the General Manager to award Contract No. 22-15, "Dry-dock and Overhaul Services for the *M/V Gay Head*," to the lowest eligible and responsible bidder following the opening of bids for the contract, as recommended by management in Staff Summary #E 2015-09, dated October 14, 2015.

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

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed all of the subjects that had been before the Members that day, and that they also had vetted Hy-Line's and SeaStreak's requests for amendments to their respective license agreements.

Options for Freight Service between New Bedford and the Islands:

Mr. Hanover stated that, earlier this month, he and Mr. Balco had talked about what the Authority could do to assist the efforts of the Towns of Tisbury and Oak Bluffs to barge trash to New Bedford and that, the day after they had talked, he had received Ms. Gladfelter's request to place on today's meeting agenda the subject of options for freight service between New Bedford and the Islands and what information the Members would like to receive from the staff at a future date regarding those options. Mr. Hanover then asked Mr. Balco to provide the Members with an update on the situation.

Mr. Balco reported that the Towns were trying to push ahead with the possibility of barging trash to New Bedford and were currently reviewing a study that suggested that barging is not a better way to transport trash to New Bedford than taking it by truck on the Authority's ferries. Mr. Balco stated that the Towns did not believe that suggestion to be correct, that they thought barging trash to New Bedford is feasible, and that they would like to work closely with New Bedford on this endeavor.

Mr. Hanover agreed, saying that barging seemed to make sense and appeared to be a good way to proceed. Mr. Hanover asked Ms. Gladfelter if she had any suggestions, which she said she did but wanted to ask Mr. Lamson some questions first. Ms. Gladfelter then asked Mr. Lamson what percent of

the trucks transported between Woods Hole and Martha's Vineyard carry hazardous cargo, trash or recyclables, and she noted that, during the summer, the Authority carries around 80 to 85 trucks a day on that route. In response, Mr. Lamson stated that, during the summer, the Authority has one or two trips per day designated for trucks carrying hazardous cargo and that probably fewer than ten percent of the trucks transported by the Authority on that route carry hazardous cargo, trash or recyclables (although during the winter that percentage would be higher).

Ms. Gladfelter then recounted how, in 2012, one of the proposed options was to issue a request for proposals (RFP) from private vessel operators to provide freight service between New Bedford and Martha's Vineyard, if it was felt that the Authority was not able to provide the service; and she asked whether it would be possible to have a freight service that exclusively carries hazardous materials and garbage/recyclables between New Bedford and Martha's Vineyard. After Ms. Tierney stated that New Bedford will take anything it can get, Ms. Gladfelter read an excerpt from the minutes of the Authority's April 17, 2012 meeting in which New Bedford Authority Members John A. Tierney had stated that "New Bedford harbor is perfectly capable of handling anything, and that the City was even willing to take the islands' trash and hazardous waste because it would result in additional employment in New Bedford."

Ms. Gladfelter further stated that she would like the Authority to revisit the possibility of providing freight service itself between New Bedford and Martha's Vineyard, given that fuel is not as expensive now as it was in 2012. Mr. Lamson asked if Ms. Gladfelter was contemplating having the Authority use its spare vessel to provide the service, and Ms. Gladfelter stated that she did not know and that the staff should use their imagination. Ms. Tierney also stated that the staff should investigate whatever it takes to make it happen. Ms. Gladfelter also noted that, if the Authority were to issue an RFP for the freight service, a private operator should have the option of using either a barge or a freight vessel.

Ms. Gladfelter agreed with Mr. Sayers' suggestion that the staff come back and present some alternative ways to approach this. But Mr. Sayers also recounted that, in 2012, the staff found that it would be very uneconomical for the Authority to provide the service and, if it were to provide the service, it would then be very difficult for the Authority to privatize it under the Pacheco Law. Therefore, Mr. Sayers stated that it was more likely that any such freight service would be provided pursuant to an RFP and that it would be difficult to require all trucks carrying hazardous cargo or trash to travel exclusively to and from New Bedford. Rather, Mr. Sayers said, he felt that the Authority should

find out under what free market conditions a private operator would be willing to provide the service, on the understanding that it would be financially viable without costing the Authority anything and thus become part of a stable transportation network.

In response to a question from Mr. Hanover, Mr. Sayers stated that the Authority previously subsidized a private freight service between New Bedford and Martha's Vineyard in 2000 and 2001, when it also handled all of the reservations and tickets for the service, and charged the same fare to and from New Bedford as was charged to travel to and from Woods Hole. But Mr. Sayers noted that the service still did not succeed. However, Mr. Hanover noted that the service had been restricted to commercial vehicles and he recounted how he had seen the freight boat leave Vineyard Haven for New Bedford with only one truck on board while lanes of cars in standby were left behind to wait for a boat to Woods Hole. Mr. Hanover therefore stated that, if the Authority were to issue an RFP for such a freight service, it should allow the operator to carry all vehicles so that it has the opportunity to make the service work.

Mr. Sayers also observed that the Authority was not legally required to issue an RFP for the service, but instead could advertise its desire to discuss with individual private operators how such a service might be provided, as long as potential freight operators had sufficient notice and the opportunity to be considered. The Members then agreed that the staff should investigate all of these options to see whether freight service might be provided between New Bedford and Martha's Vineyard on a financially viable basis.

Oak Bluffs Town Administrator Robert Whritenour then recounted how the Town of Oak Bluffs has been working very closely with the Town of Tisbury to provide alternative transportation by barge directly between New Bedford and Martha's Vineyard, and he stated that the key point of their initial analysis was that, if the transportation were limited to solid waste, it was entirely uneconomical and could not sustain itself. Rather, Mr. Whritenour said, any successful business model had to include the transportation of other types of freight because that is where the economic engine exists. Mr. Whritenour declared that the Towns supported the Authority's efforts entirely and would support a financially viable transportation model between Martha's Vineyard and New Bedford.

Public Comment:

Mr. Lamson then answered questions from the audience regarding the preparedness of the Authority to evacuate island residents in the event of an accident at Pilgrim Nuclear Power Station in Plymouth, Massachusetts, and the status of mechanical issues with the *M/V Island Home* that have required the Authority to cancel certain trips over the past few months. Mr. Lamson also noted that the Authority would be taking the *M/V Eagle* out of service earlier this year than originally scheduled in order to fix a gear problem before the holidays.

Mr. Santoro thanked the Members and Ms. Tobin for the improvements the Authority has made to its Oak Bluffs terminal, and he noted how Ms. Tobin had received an award from the Martha's Vineyard Chamber of Commerce for making the impossible possible. Mr. Santoro further thanked the Members for their support of the Town of Oak Bluffs' park and ride efforts, and he stated that the Town was now investigating whether it could locate an off-site parking lot at its landfill.

In response to a question from *Martha's Vineyard Times* Managing Editor Nelson Sigelman, Ms. Gladfelter stated that her desire was for the staff to investigate all of the options that might be feasible for providing freight service between New Bedford and Martha's Vineyard, using all of the resources that were discussed during today's meeting.

Mr. Sigelman then asked why, if the Authority considers SeaStreak's ferry service from New Bedford to be part of the stable transportation network for the Islands, he is unable to find any reference to it on the Authority's website. In response, Mr. Lamson stated that, at one time the Authority did mention SeaStreak's service on its website, but that may no longer be the case. Mr. Lamson also said that he did not know whether the Authority has an obligation to describe on its website all of the transportation options for the Islands, including the services of its competitors. After Mr. Jones suggested that possibly Hy-Line and SeaStreak should also mention the Authority on their websites, Mr. Hanover observed that whether the Authority should mention other ferry services on its website was a policy issue for the Members that could be taken up at another time.

At approximately 11:30 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, including:

- the renewal of the Authority's lease with the Town of Falmouth for the Woods Hole back parking lot;
- the potential acquisition of additional property in Hyannis; and
- negotiations with SEIU Local 888 for a new collective bargaining agreement for the Authority's Reservation Clerks and other Customer Services Department employees.

After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and bargaining positions, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and he announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
October 20, 2015 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 20, 2015 Meeting Memorandum, dated October 15, 2015.
2. Announcement at the Beginning of the Meeting.
3. Minutes of the September 22, 2015 Meeting in Public Session.
4. Business Summary for the Month of August, 2015.
5. Floor Plans for the Authority's New Administrative Offices (4 pages).
6. Staff Summary #L-450, dated October 13, 2015 – Agreement with the Wampanoag Tribe of Gay Head (Aquinnah).
7. Staff Summary #TPF-2015-10, dated October 16, 2015 – Proposed Changes to the Bulk Freight Policies.
8. Staff Summary #A-588, dated October 14, 2015 – Proposed 2016 Operating Budget.
9. Staff Summary #A-589, dated October 14, 2015 – Transportation Agreement with M.V. Regional High School District.
10. Staff Summary #E2015-09, dated October 14, 2015 – Contract #22-15, "Dry-dock and Overhaul Services for the *M/V Gay Head*."
11. Minutes of the Port Council's October 7, 2015 Meeting (draft).
12. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

November 17, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of November, 2015, beginning at 9:30 a.m., in the Cultural Center of the Falmouth Museums on the Green, located at 55 & 65 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Vice Chairman Robert V. Huss of Oak Bluffs, Port Council Secretary George J. Balco of Tisbury, and Port Council member Edward C. Anthes-Washburn of New Bedford (who arrived during the discussion of the construction of the *M/V Woods Hole*) were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Director of Marketing Kimberlee McHugh; Port Captain Charles G. Gifford; Parking Lot Manager Michael Young; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Steve Baty would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTV).

Minutes:

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on October 20, 2015.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for September 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 11.7%), more automobiles (up 4.9%) and more trucks (up 3.9%) during the month than it had carried during the same month in 2014. Mr. Lamson noted that some of the increase in that month's traffic volumes from the traffic volumes for the same month in 2014 may have been due to the fact that Labor Day this year was on the latest day it can fall (September 7th), while in 2014 it had been on the earliest day it can fall (September 1st).

Mr. Lamson also reported that the Authority's operating revenues and other income in September 2015 were \$1,580,000 higher than projected, and that its operating expenses and fixed charges were \$475,000 lower than budgeted. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$3,686,000, approximately \$2,055,000 higher than projected. Mr. Lamson further reported that, for the first nine months of 2015, the Authority's operating revenues and other income had been around \$4,072,000 higher than projected, its operating expenses and fixed charges had been around \$2,898,000 lower than budgeted and, as a result, the Authority's net operating income had been around \$16,423,000, approximately \$6,970,000 higher than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson stated that, in response to a question asked by Mr. Ranney at last month's meeting, the staff had investigated the fuel consumption rates of the Authority's vessels for the first nine months of 2015 and had identified six vessels that had higher fuel consumption rates (on a per-mile basis) than their respective rates in 2014 or their projected rates in the 2015 Operating Budget. Mr. Lamson also noted that those higher fuel consumption rates accounted for

almost 96% of the additional gallons of vessel fuel consumed by the Authority's vessels during the first nine months of 2015 compared to the Authority's budget projections for the same time period. Mr. Lamson reported that, as a result, Port Captain Gifford had forwarded the fuel usage reports and graphs to all of the Authority's Captains and had reminded them that, even though there has been a dramatic decrease in fuel prices this year, they should still be striving to conserve fuel oil whenever possible in maintaining schedules.

Construction of the *M/V Woods Hole*:

Mr. Walker then reported that the construction of the *M/V Woods Hole* was continuing to go well, but that questions had arisen about the delay in the delivery of some items of equipment. Mr. Walker stated that, last month, Conrad Shipyard had sent a letter to the Authority identifying the delays and requesting a 70-day extension of the vessel's delivery date, and that the staff was still evaluating that claim. Mr. Walker also stated that he had travelled to the shipyard the prior week with Brian King of Elliott Bay Design Group to review the current status of the construction, and that they had received a revised schedule with insufficient detail for them to evaluate Conrad's claim. Mr. Walker stated that Conrad would be providing the Authority with a new schedule in compliance with the contract by no later than December 4th, although he expected to have it before that date. Once the Authority received that new schedule, Mr. Walker said, the parties will discuss the status of the vessel's construction and this delay at their monthly progress meeting during the week of December 7th. Mr. Walker stated that then, at the Authority's next monthly meeting, he will hopefully have a firm idea of what the contractually compliant schedule will be, but that at the moment he did not have any information about whether there is or is not an impact on the overall schedule, saying it was premature to reach any conclusion.

In response to a question from Mr. Hanover, Mr. Walker confirmed that Conrad's claim was that the vessel's delivery date should be delayed by 70 days due to the equipment delivery delays, which would result in the Authority not receiving the vessel until mid-July 2016. But Mr. Walker emphasized that the Authority had insufficient information at this time to evaluate Conrad's claim, observing that it cannot be determined what impact the equipment delivery delays will have on the vessel's delivery date without a schedule that breaks the tasks of the vessel's construction down to a minute level.

In response to a question from Mr. O'Brien, Mr. Walker stated that Captain Edward Jackson of Marine Systems Corp. did not see this coming, and that neither he nor Captain Jackson thought that Conrad was much behind schedule. Mr. Lamson further noted that Mr. King had arrived at the same conclusion that the shipyard is not that far off from its original schedule, and Mr. Lamson questioned whether the equipment delivery delays were really going to affect the vessel's delivery date or whether Conrad was using the equipment delivery delays in order to avoid any liquidated damages that might be imposed for the late delivery of the vessel.

Mr. Walker then gave a presentation on the status of the construction of the *M/V Woods Hole*, showing slides of, among other things:

- the vessel's hull in the water;
- a forward view of the vessel without the pilot house;
- a side view of the vessel with the entire passenger cabin in place;
- the 03 crew deck (noting that neither that deck nor the pilot house nor the stacks will stay on the vessel, but will instead be placed back onto the vessel after it is in Conrad's other shipyard in Amelia, Louisiana);
- the 02 passenger area (noting that one of the late deliveries is the windows and that, while most of the windows will arrive in December, some will not be delivered until February);
- the side windows on the pilot house (noting that they provide visibility down the sides of the vessel);
- the main engines (noting that they were dropped into place several weeks ago but cannot be aligned until the vessel goes to the dry-dock sometime in February, and also noting that the gear boxes are not in the boat, as one arrived the previous Friday and the other one was due to arrive this coming Friday);
- the bow thruster, piping systems, the auxiliary room, boilers, and generators;
- the cut-out for the bow doors (noting that they will be installed during Thanksgiving week and the week thereafter); and
- the bulbous bow that was designed for efficiency and reduction of wake energy (pointing out the spray rails that will turn the waves back to the ocean instead of having water coming up the side of the vessel onto the freight deck).

In response to a question from Mr. Jones, Mr. Walker stated that the rear of the pilot house will not have a steering station, although there will be steering stations on both wings of the pilot house. Then, in response to a question from Ms. Tierney, Mr. Walker stated that the shipyard was not building any other ships; rather, it was building only push boats, tugs and barges at a volume consistent with prior years. Indeed, Mr. Walker said, the volume of Conrad's work had been light until its recent contract for two barges, and the manning on the *M/V Woods Hole* (80 to 100 employees) had been incredible. Mr. Walker declared that he has been very impressed with the number of Conrad employees and the fact that they were working efficiently and diligently to meet the schedule.

Fairhaven Vessel Maintenance Facility:

Mr. Walker then reported that the Authority had not yet demolished the so-called "Lobster" building at its Fairhaven Vessel Maintenance Facility because the site work (including the installation of stormwater collection equipment) will not be performed until next year. Mr. Walker stated that, instead of demolishing the building now, it was decided to leave the building as it is for the winter and perform both the demolition and the site work in the spring.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority had received the Certificate of the Secretary of Energy and Environmental Affairs on the Environmental Notification Form (ENF) the Authority had submitted for its Woods Hole Terminal Reconstruction Project and that, in his Certificate, the Secretary had determined that the project does not require an Environmental Impact Report. Therefore, Mr. Lamson said, the Authority is continuing to work on the final designs for the project while moving forward with the rest of the permitting phase, including obtaining an Order of Conditions from the Falmouth Conservation Commission, a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, and a permit from the United States Army Corps of Engineers.

Information Technology Systems Improvements:

Ms. Claffey then reported on the improvements the Authority is making to its information technology systems, as follows:

- (a) Since October 20, 2015, the Authority has been making the key changes identified for the upgrades to its Maximo computerized maintenance management information system and, at the moment, all of the automated processing has been completed. The Authority now has to apply some of its requested customizations to the system and then verify that everything works as expected.
- (b) The Authority's developers have reported that they have finally ironed out the remaining programming issues so that the Authority can give its customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to until noon the day before their scheduled sailing. Once the programming changes have been tested, the Authority will be able to implement the changes in a live environment for its customers.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that that the Authority was still experiencing problems with stormwater runoff at its Thomas B. Landers Road parking facility and was continuing to investigate whether the problems are due to a construction issue or an engineering issue. Mr. Lamson stated that the Authority's engineers recently had placed temporary berms on the parking lot to try to get water to run from the nonporous ring road to the center of the porous asphalt during a storm event. However, Mr. Lamson said, after less than one inch of rain had fallen, the lower portion of the parking lot was saturated where water had percolated up. Accordingly, Mr. Lamson observed that there appears to be a problem with water that is flowing under the surface to that lower end of the lot, where there are no catch basins or retaining ponds to catch the overflow, and he stated that, based upon the recommendation of the Authority's engineers, the Authority was conducting additional infiltration testing and soil borings to see whether the material and the compaction are correct. But Mr. Lamson noted that the parking lot currently is not functioning as designed, which was to be able to handle a five-inch storm.

In response to a question from Mr. Hanover, Mr. Lamson stated that the additional catch basins which had been installed had not helped the situation, they do not appear to be working as intended because they fill up so quickly, and in fact some of the borings will be from within those catch basins. In addition, Mr. Lamson acknowledged that the Authority has not yet stopped water from going on the Town's adjacent property and that, while the Authority is not using the lot at this time of the year (and had not lost the use of any parking spaces this past year due to the flooding), he wanted to get this matter resolved by next spring.

Hy-Line's License Request:

Mr. Lamson reported that the staff was recommending that the Members grant Hy-Line's request for an amendment to its current license agreement allowing it:

- (a) to retire its traditional ferry, the *Brant Point* (with a capacity of 520 passengers), which provides one daily round trip on a summer seasonal basis between Hyannis and Oak Bluffs;
- (b) to provide up to five daily round trips with a new high-speed passenger ferry (with a capacity of between 300 and 350 passengers) on a summer seasonal basis between Hyannis and Oak Bluffs in lieu of its high-speed passenger ferry, the *Lady Martha* (that has a capacity of 149 passengers); and
- (c) to provide up to three daily round trips with the *Lady Martha* on a summer seasonal basis between Oak Bluffs and Nantucket (inter-island service) in addition to providing one morning daily trip from Hyannis to Oak Bluffs and an evening daily trip from Oak Bluffs to Hyannis.

Mr. Lamson recounted how the Authority had held hearings in Nantucket, Oak Bluffs and Hyannis on Hy-Line's request and how it had received nothing but positive comments from the public in support of the request. Mr. Lamson also reported that it was the staff's opinion that public convenience and necessary will be served by granting Hy-Line's request and that the staff was not proposing any changes to Hy-Line's license fee structure for the remaining two years of its current license agreement.

But Mr. Lamson also noted that the Authority had not received any information on the high-speed passenger vessel that Hy-Line intends to use on the Hyannis-to-Oak Bluffs route. Therefore, Mr. Lamson said, the staff was recommending that the Members approve Hy-Line's request with the following conditions:

1. that Hy-Line be required to inform Mr. Lamson of the identity of its proposed new high-speed passenger ferry and the vessel's characteristics so that he can confirm its suitability for Hy-Line's Hyannis-Oak Bluffs service prior to entering into the amended license agreement and can also specify the vessel that Hy-Line is allowed to use to provide that service in the license agreement itself; and
2. that, when Hy-Line's current license agreement expires at the end of 2017, the Authority review the status of the services and, in particular, the appropriateness of the license fees being paid by Hy-Line to be able to provide the services.

Finally, Mr. Lamson noted that, at their meeting earlier that month, the Port Council had voted unanimously to recommend to the Members that they adopt the staff's recommendation.

Ms. Tierney then noted that, under the Authority's Licensing Policy, Hy-Line should have provided the Authority with its financial statements for the last three years, and she asked Mr. Lamson why he did not also recommend that Hy-Line provide those statements as a condition of its requested amendment to the license agreement. In response, Mr. Lamson acknowledged that the staff had requested Hy-Line to provide its financial statements, but he stated that Hy-Line had declined to provide that information. Nevertheless, Mr. Lamson said, the reason for this requirement in the Licensing Policy is to provide the Authority with information on which the staff can ascertain whether a prospective licensee has the fitness and ability to provide a particular ferry service. Mr. Lamson stated that, in this case, based upon Hy-Line's decades of prior experience, the staff felt it was able to confirm Hy-Line's fitness and ability to provide the service without that additional information.

Mr. Sayers agreed, noting that the Licensing Policy does not impose an absolute requirement upon a licensee to provide its financial statements for the three most fiscal years, but only states that the licensee "should" provide that information "except for good cause shown." However, Mr. Sayers stated that, if Hy-Line had requested that it be protected from competition due to the potential adverse effects of a competitor's ferry service on its finances, then the staff would have required Hy-Line to provide that information in order to determine what

Hy-Line's financial situation is and what financial impact a competitor's ferry service might have on Hy-Line's ability to continue providing its own service.

But Ms. Tierney observed that Hy-Line's current request represented an expansion of its existing service, and she questioned how the staff could satisfy itself that Hy-Line's license fees for that expanded service were adequate without knowing its financial condition. Ms. Tierney also expressed her concern that, by not requiring Hy-Line to provide its financial statements, the Authority was establishing a precedent that would allow other licensees not to provide that information. But Mr. Sayers noted that, on prior occasions, the Authority similarly had not required Hy-Line to provide its financial statements and that, in any event, the staff was recommending that the Authority review the appropriateness of Hy-Line's license fees when its current license agreement expires at the end of 2017.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to authorize the General Manager to enter into an amended license agreement with Hyannis Harbor Tours, Inc. ("Hy-Line"), as recommended by management in Staff Summary #L-451, dated November 10, 2015, and with the conditions set forth in that staff summary.

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

SeaStreak's License Request:

Mr. Lamson then reported that the staff similarly was recommending that the Members grant SeaStreak's request for an amendment to its current license agreement allowing it to use one of its Vineyard 95 vessels (either the *Whaling City Express* or the *Martha's Vineyard Express*), supplemented from time to time with one of its larger vessels based upon demand and availability, to provide two daily round trips on Mondays through Thursdays, and three daily round trips on Fridays through Sundays, on a summer seasonal basis directly between New

Bedford and Nantucket. Mr. Lamson recounted how the Authority had held hearings in Nantucket and New Bedford on SeaStreak's request and how all of the public comments received by the Authority were in support of the request, including a letter from New Bedford Mayor Jonathan F. Mitchell and State Representative William M. Straus.

Mr. Lamson noted that the staff also was recommending that the Authority charge SeaStreak license fees for the proposed new service using a blended license fee formula that is partly based on the formula used to calculate the license fees paid by Freedom Cruise Line in connection with its ferry service between Harwichport and Nantucket, and that the Authority also allow SeaStreak to use the Authority's Nantucket terminal for the purpose of unloading and loading passengers in connection with its New Bedford-Nantucket service and the continuation of its weekend ferry service between New York and Nantucket, subject to the payment of appropriate dockage fees. Mr. Lamson further reported that, at their meeting earlier that month, the Port Council had voted unanimously to recommend to the Members that they adopt the staff's recommendation.

Mr. Ranney noted that, in 1913, the steamer *Sankaty* had established a record for making the trip between Nantucket and New Bedford in three hours and eleven minutes,¹ and he observed that it was pretty good progress when, almost 100 years later, the trip will take only one hour and fifty minutes. But Mr. Ranney also questioned whether ten minutes will be sufficient time for SeaStreak to turn around the vessel on Nantucket, as indicated on its proposed operating schedule, given the realities of unloading and loading passengers within that time period.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to authorize the General Manager to enter into an amended license agreement with SeaStreak, LLC, as recommended by management in Staff Summary #L-452, dated November 10, 2015.

¹ Reporter's Note: This 1913 trip by the Steamship *Sankaty* was reported in "Argument Settlers," What Has Happened On and Around Nantucket, A Complete History of Nantucket in Condensed Form (2nd Ed. 1920), at p. 66.

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

Mr. Hanover expressed his hope that both Hy-Line and SeaStreak will be successful in their new endeavors, and he then asked that the Port Council over the next two years consider the subject of the appropriateness of the amount of license fees that the Authority charges its licensed operators. Mr. Hanover observed that the Authority's current license fee formulas were based on an average of the Authority's per-passenger revenue over a 12-month period, and he suggested that the average per-passenger revenue instead be based on the six-month period when the licensed operators are operating their ferry services. Mr. Hanover noted that the Authority has to be cautious about its own bottom line and maintaining its own ridership.

2016 Reservation Opening Dates:

Mr. Lamson then reviewed the Authority's 2016 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the Authority's 2016 summer and fall schedules, as follows:

Reservations for the Summer Schedule (05/18/2016 through 10/11/2016)

- Headstart reservations will be accepted (by mail and internet only) from January 5, 2016 through January 10, 2016
- Reservations for the general public will be accepted by mail and over the internet beginning January 12, 2016.
- Telephone reservations for the general public can be made beginning January 19, 2016.

Reservations for the Fall Schedule (10/12/2016 through 01/03/2017)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 20, 2016.

In addition, Mr. Lamson noted that the “reservation-only” days for vehicles traveling on the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 17 through September 5, as well as from May 27 through May 31 (around Memorial Day), June 30, July 5, August 23, October 7 and October 10 (around Columbus Day).

Bulk Freight Reservation Policies:

Mr. Lamson then recounted how, at last month's meeting, the Members had approved the staff's proposed changes to the Authority's bulk freight reservation policies that included reclassifying what a “frequent shipper” is so that a shipper has to make an average of three round trips per week, instead of only one round trip every two weeks, in order to be classified as a “frequent shipper.” Mr. Lamson also noted that Ms. Gladfelter had asked how many shippers were considered to be “frequent shippers” under the previous policies compared to how many will be considered to be “frequent shippers” under the new policies. Mr. Lamson stated that, under the previous policies, there had been 93 “frequent shippers” on the Martha's Vineyard route during the summer schedule, and that under the new policy there are now 64 (a 31% decrease), while on the Nantucket route there had been 62 “frequent shippers” during the summer schedule and that under the new policy there are now 53 (a 15% decrease).

2016 Parking Permit Rates:

Mr. Lamson asked the Members to approve the staff's recommendation not to increase the prices of any of the Authority's parking permits during 2016 except for the Woods Hole parking permits. Mr. Lamson noted that, this past month, the Authority had been able to renew its lease with the Town of Falmouth for the back parking lot at the Authority's Woods Hole terminal (along of the former railroad right-of-way to the east of Little Harbor), beginning January 1, 2016. However, Mr. Lamson stated that, under the new lease, 40 of the existing parking spaces in the back lot will now be used by the Town instead of the

Authority's parking permit holders. As a result, Mr. Lamson said, the Authority will need to reduce the number of Woods Hole parking permits that it sells to its customers, although he noted that, during this past year's permit renewal process, permit holders were informed that they might not be able to renew their permit for 2016 if they did not enter and exit the lot on a routine basis this year.

Mr. Lamson also stated that, in order for revenues from this fewer number of Woods Hole parking permit holders to cover the parking lot's direct expenses, the Authority would need to increase the price of the annual Woods Hole parking permit by \$200, from \$900 to \$1,100. But Mr. Lamson further noted that, because permit holders might have difficulty paying the entire price of the permit at the beginning of the year, customers will also have the option of paying one-half of the price by January 1, 2016 (plus \$25), and the other half of the price by May 1, 2016 (plus \$25).

In response to a question from Mr. Hanover, Mr. Lamson stated that the staff was recommending that the price of a year-round Palmer Avenue parking permit remain at \$650 during the 2016 calendar year. Mr. Hanover observed that, while it was unfortunate that the Authority has to raise the rates for the Woods Hole parking permits, most of the concerns he had heard from current permit holders were about whether they would still be able to park in the Woods Hole parking lot next year. Then in response to a question from Ms. Gladfelter, Mr. Young stated that he felt around 70% to 75% of the Woods Hole permit holders were commuters who used their cars three or more times per week either to commute from the island or to the island from the mainland.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the rates for the 2016 Falmouth and Hyannis parking permits as proposed by management in Staff Summary #TPF-2015-11, dated November 12, 2015.

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

2016 Capital Budget:

Mr. Davis then asked the Members to approve the staff's proposed 2016 Capital Budget, which included new projects totaling \$3,857,000 (including an allowance of \$250,000 for miscellaneous projects under \$50,000). Mr. Davis stated that, as of September 30, 2015, the Authority had \$39,314,000 in funds available for its capital projects (plus \$5,708,000 of additional transfers that are expected to be made to the Replacement Fund and Bond Redemption Account during the remainder of 2015), and that \$32,383,000 of those funds are needed to complete current projects which already have been approved. Mr. Davis also stated that the staff's proposed \$3,857,000 of new capital projects included:

- Shuttle bus replacements for the Woods Hole terminal operations (\$290,000);
- Shuttle bus replacements for the Hyannis terminal operations (\$290,000);
- Tow motor replacements (\$225,000);
- Luggage ramp for the Hyannis terminal's high-speed ferry slip (\$75,000);
- Vehicle identification system for the parking lots (\$135,000);
- Accounting system replacement (\$1,500,000);
- Point-of-sale systems for the food concessions on the vessels (\$100,000);
- Stack-feed ticket readers (\$50,000);
- Two service vans (\$56,000);
- Emergency generator for the Fairhaven Vessel Maintenance Facility (\$235,000);
- Fencing for the Nantucket terminal parking area (\$100,000); and
- Web redundancy project (\$375,000).

Mr. Davis also noted that, at this point, several large anticipated capital projects (the *M/V Martha's Vineyard* refurbishment project, the new general office building at the Palmer Avenue parking lot, and the temporary Woods Hole terminal building) are not being included in the 2016 Capital Budget because the staff is still refining the scope of each of those projects and their corresponding cost estimates. However, Mr. Davis said, after the approval of the 2016 Capital Budget, there will still be approximately \$8,800,000 remaining for those larger projects (plus an additional \$8,900,000 that is projected to be transferred to the Replacement Fund during 2016), as well as for other future projects and contingencies. Finally, Mr. Davis noted that, at their November 4, 2015 meeting, the Port Council had voted unanimously to recommend that the Members adopt the 2016 Capital Budget as proposed by the staff.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. O'Brien -- to adopt the 2016 Capital Budget as proposed by management in revised Staff Summary #A-590, dated November 12, 2015.

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

Approval of Managers for the Authority's Alcoholic Beverages Licenses:

Mr. Davis then asked the Members to approve the appointment of the employees of the Authority's food concessionaire, Centerplate, identified in Staff Summary #A-591, dated November 12, 2015, as managers of the Authority's alcoholic beverages licenses for the vessels listed in that staff summary, noting that the Alcoholic Beverages Control Commission's regulations require the Authority, as holder of those licenses, to formally approve those appointments. Mr. Davis also noted that, in the absence of an employee who is appointed as a manger under a vessel's alcoholic beverages license, Centerplate staffs each of those vessels with qualified Assistant Managers.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to approve the reappointment of the following individuals to be the managers of the Authority's 2016 alcoholic beverages licenses on the following vessels:

<u>Vessel</u>	<u>License No.</u>	<u>Manager</u>
M/V Nantucket	SS-2	Lisa Markley
M/V Island Home	SS-217	Lori Oberlander
M/V Eagle	SS-218	Cheryl Defibaugh
M/V Martha's Vineyard	SS-219	Geoffrey Lumsden
M/V Iyanough	SS-220	Christopher Ball

As recommended by management in Staff Summary #A-591, dated November 12, 2015.

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

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

Mr. Lamson then reported that, in accordance with the authorization the Members had given him last month, he had awarded Contract #22-15 for "Dry-dock and Overhaul Services for the *M/V Gay Head*" 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 \$631,828. Mr. Lamson noted that the *M/V Gay Head* was scheduled to be in the shipyard through December 16, 2015.

Hyannis Terminal Concrete Repairs:

Mr. Lamson stated that, although the Members had received revised Staff Summary #E 2015-11, dated November 12, 2015, recommending that they authorize him to award Contract #26-15 for "Hyannis Terminal Contract Repairs" to the lowest eligible and responsible bidder following the bid opening that was scheduled for December 1, 2015, he had decided that it was too late to accomplish these repairs this year. Instead, Mr. Lamson said, he would reissue the invitation for bids next spring, which might also serve to attract more contractors to submit bids. In response to a question from Mr. Jones, Mr. Walker stated that the repairs are going to be performed to the stairs that go from ground level to the pier of Slip 1 of the Hyannis terminal, as well as to the stairs that are located close to where the Town of Barnstable's fire boat is berthed, as both sets of stairs were 20 years old and had failed.

M/V Eagle Dry-dock and Overhaul Services Contract:

Mr. Lamson then asked for authorization to award Contract #27-15 for "Dry-dock and Overhaul Services for the *M/V Eagle*" to the lowest eligible and responsible bidder for the contract after the opening of bids that is scheduled for December 2, 2015. Mr. Lamson stated that the vessel is scheduled to be in the shipyard from January 4, 2016 through February 2, 2016 and that the budget estimate for the work was \$904,591.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract No. 27-15, "Dry-dock and Overhaul Services for the *M/V Eagle*," to the lowest eligible and responsible bidder following the opening of bids for the contract, as recommended by management in revised Staff Summary #E 2015-13, dated November 12, 2015.

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

Contract for Spare Parts for EMD Engines:

Mr. Lamson stated that he had also deferred the purchase of spare parts for EMD engines on the *M/V Gay Head*, the *M/V Katama*, the *M/V Nantucket* and the *M/V Sankaty*, so there was no need for the Members to authorize him to award Contract #28-15 for those spare parts.

Contract to Modernize Two Elevators on the M/V Eagle:

Mr. Lamson then asked for authorization to award Contract #29-15 to "Supply and Install Equipment to Modernize Two (2) Passenger Elevators on the *M/V Eagle*" to the lowest eligible and responsible bidder for the contract after the opening of bids that is scheduled for November 19, 2015. Mr. Lamson stated

that the elevators will be modernized while the vessel is in the shipyard and that the estimated cost of the project is \$165,000. In response to a question from Ms. Gladfelter, Mr. Walker stated that the project will consist of replacing the two elevators with entirely new systems, but in the same shafts.

In response to a concern raised by Mr. O'Brien, Mr. Lamson stated that there was no provision in the contract governing what would happen in the event of a disagreement between the shipyard where the *M/V Eagle* is being overhauled and the contractor who will be modernizing the elevators while the vessel is at that shipyard. But Mr. Lamson noted that, in the past, the Authority has had success in having outside contractors work on vessels while they were in shipyards undergoing their annual overhauls.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to authorize the General Manager to award Contract No. 29-15, "Supply and Install Equipment to Modernize Two (2) Passenger Elevators on the *M/V Eagle*," to the lowest eligible and responsible bidder following the opening of bids for the contract, as recommended by management in revised Staff Summary #E 2015-15, dated November 12, 2015.

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

Contract for Spare Parts for Four MTU Engines:

Mr. Lamson then asked for authorization to award Contract #30-15 to "Supply and Deliver Spare Parts for Four MTU 12V 4000 M70 Marine Propulsion Engines" to the lowest eligible and responsible bidder for the contract after the opening of bids that is scheduled for November 19, 2015. Mr. Lamson stated that the spare parts are for the engines on the *M/V Iyanough* and, while there is only one supplier for these spare parts, the Authority is still required by its Enabling Act to go out to bid for them.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Ms. Gladfelter -- to authorize the General Manager to award Contract No. 30-15, "Supply and Deliver Spare Parts for Four (4) MTU 12V 4000 M70 Marine Propulsion Engines," to the lowest eligible and responsible bidder following the opening of bids for the contract, as recommended by management in revised Staff Summary #E 2015-16, dated November 12, 2015.

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

Contract for Inflatable Buoyant Apparatuses:

Mr. Lamson then asked for authorization to award Contract #31-15 to "Supply and Deliver One Twin Track Inflatable Slide, Four Marine Evacuation System Inflatable Buoyant Apparatuses (IBAs) and Two Double-Link Launching Racks" to the lowest eligible and responsible bidder for the contract after the opening of bids that is scheduled for December 1, 2015. Mr. Lamson stated that the staff would like the Authority to have this spare set of IBAs so that it can continue to operate its vessels with their USCG-allowed passenger capacity levels while the each vessel's current set of IBAs is inspected and maintained.

In response to a question from Mr. Hanover, Mr. Lamson stated that, even though there is only one source for this equipment, the Authority is still required by its Enabling Act to go to out to bid for them. In response to a question from Ms. Gladfelter, Mr. Lamson also stated that this equipment is interchangeable among all of the Authority's vessels.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to authorize the General Manager to award Contract No. 31-15, "Supply and Deliver One Twin Track Inflatable Slide, Four Marine Evacuation System Inflatable Buoyant Apparatuses (IBAs) and Two Double-Link Launching Racks," to the lowest eligible and responsible bidder following the opening of bids for the contract, as recommended by management in revised Staff Summary #E 2015-17, dated November 12, 2015.

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

Design and Engineering Services for the
M/V Martha's Vineyard Mid-life Refurbishment:

Mr. Lamson then asked the Members to award a contract for design and engineering services in connection with the *M/V Martha's Vineyard* Mid-life Refurbishment Project to Gilbert Associates, Inc. for an estimated fee of \$377,470. Mr. Lamson recounted how, last month, the Authority had issued a request for proposals from Gilbert Associates and Elliott Bay Design Group, and he noted that Elliott Bay Design Group had proposed performing the services for \$799,731. Mr. Lamson stated that the staff had reviewed Gilbert Associates' proposal and had determined that it includes all of the work that had been requested. In response to a question from Mr. Hanover, Mr. Lamson stated that Gilbert Associates has previously performed work for the Authority, including the design for the *M/V Eagle* and the mid-life refurbishments for both the *M/V Nantucket* and the *M/V Eagle*.

Ms. Gladfelter then asked Mr. Walker why there was such a difference between the prices of the two proposals. In response, Mr. Walker stated that because these were informal proposals, when he asked Gilbert Associates to look at a few minor clarifications of their proposal, he told them that, if there was an

issue with their price, they had the ability to modify it. However, Mr. Walker said, Gilbert Associates stated that they had reviewed their proposal, that their price included sufficient amounts for both them and their subcontractors, and that they were very comfortable with it. Mr. Walker also stated that he would ask Elliott Bay Design Group why its price was so much higher the Gilbert Associates' price. Mr. Lamson then added that the main focus was making certain that Gilbert Associates had included everything in their proposal.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to engage Gilbert Associates, Inc. of Braintree, Massachusetts for the design and engineering services related to the M/V Martha's Vineyard Mid-life Refurbishment for a Total Estimated Cost of \$377,740, as recommended by management in Staff Summary #E 2015-12, dated November 12, 2015.

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

Rescue Boat Replacement:

Mr. Lamson then asked the Members to award a contract for the purchase of ten Zodiac Milpro SR 1500 rescue boats, pursuant to a General Services Administration (GSA) contract, to Zodiac of North America, Inc. for the Total Contract Price of \$243,000. Mr. Lamson noted that eight of these rescue boats will be installed on the Authority's conventional ferries, replacing rescue boats that have been in service from as long ago as 1998, and that the two additional rescue boats will be maintained as spares (one each in Woods Hole and Hyannis).

In response to questions from Ms. Gladfelter, Captain Gifford stated the each rescue boat can hold six people and has a 50-horsepower motor. Then in response to a question from Mr. Hanover, Captain Gifford also stated that the price of the rescue boats includes their motors.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to award a contract to Zodiac of North America, Inc. for ten (10) Zodiac Milpro SR 1500 rescue boats for a Total Contract Price of \$243,000, as recommended by management in Staff Summary #VSL-2015-1, dated November 12, 2015.

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

Purchase of Four Shuttle Buses with Wheelchair Lifts:

Mr. Lamson then asked the Members to exercise the Authority's option under its existing contract with Dattco, Inc. of New Britain, Connecticut, to purchase four 36-passenger shuttle buses with wheelchair lifts for a total price of \$542,890. Mr. Lamson stated that these buses will be used to transport customers between the Woods Hole terminal and the Authority's Falmouth off-site parking lots, and between the Hyannis terminal and the Authority's Hyannis off-site parking lots. Mr. Lamson also noted that, under the contract, the Authority still has the option to purchase six more shuttle buses over the next four years at the original contract price (plus cost-of-living and increased emission cost adjustments).

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to exercise the option to purchase four (4) shuttle buses with wheelchair lifts from Dattco, Inc. of New Britain, Connecticut, for a total price of \$542,890 pursuant to the terms and conditions of Contract #04-2015, as recommended by management in Staff Summary #TPF-2015-12, dated November 10, 2015.

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

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed all of the subjects that had been before the Members that day, including the news that the delivery of the *M/V Woods Hole* could be delayed by 70 days. Mr. Jones observed that the news had come out of the blue and the Port Council had asked questions about whether the Authority was on top of this issue. Mr. Jones also declared that he did not know how the shipyard could justify such an unconscionable delay.

Mr. Jones also noted that the Port Council similarly had recommended that the Authority approve both license requests from Hy-Line and SeaStreak, and were pleased that everything has worked out well. Mr. Jones observed that both Hy-Line and SeaStreak were great operators and that their services were a big plus to the Authority and the entire transportation network.

Links on the Authority's Website to Hy-Line and SeaStreak:

Mr. Hanover recounted how, at last month's meeting, *Martha's Vineyard Times* Managing Editor Nelson Sigelman had asked why the Authority does not have links on its website to the other ferry services provided by Hy-Line and SeaStreak, and Mr. Hanover suggested that the Authority have such links with the hope that Hy-Line and SeaStreak would reciprocate by having links on their websites to the Authority. Ms. Tierney agreed that the Authority should explore this possibility, and Mr. Jones stated that there should be reciprocity on the part of the licensed carriers.

Mr. Lamson noted that, in 2006, the Members had voted to add a link on the Authority's website to New England Fast Ferry, but that the link was now very difficult to find on the Authority's new website. Mr. Lamson also asked whether the Authority should have links to all of the ferries that provide service for the islands, including the *M/V Island Queen*, the *M/V Pied Piper* and the *M/V Freedom*, as well as to the airlines. Instead, Mr. Lamson said, the Authority could provide a link to each island's chamber of commerce, noting that their websites already list all of the public's travel options between the mainland and the islands. Ms. Gladfelter then suggested that the Members look into this more on their own and provide some suggestions at their next meeting.

Options for Freight Service between New Bedford and Martha's Vineyard:

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the staff would provide an update at next month's meeting on their study of options for freight service between New Bedford and Martha's Vineyard. Mr. Lamson noted that the staff had begun reviewing their previous study that had evaluated four or five possible operating schedules, and that the staff would be updating those cost estimates and looking at any other possible schedules. In addition, Mr. Lamson said, the staff will explore the possibility of having the Authority issue a request for proposals from private operators to provide the service and will try to identify the issues that would be raised by such an option.

At approximately 10:52 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the potential acquisition of additional property in Hyannis. After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating positions, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and he announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to go into executive session to consider the purchase, exchange, lease or value of real property.

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
November 17, 2015 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 17, 2015 Meeting Memorandum, dated November 12, 2015.
2. Minutes of the October 20, 2015 Meeting in Public Session.
3. Business Summary for the Month of September, 2015.
4. Slide Presentation of Capital Project Updates for the Steamship Authority Board Meeting – November 17, 2015 (Falmouth, MA).
5. Staff Summary #L-451, dated November 10, 2015 – Hy-Line License Request.
6. Staff Summary #L-452, dated November 10, 2015 – SeaStreak License Request.
7. Revised Staff Summary #RCR-1-15, dated November 16, 2015 – 2016 Reservation Opening Dates.
8. Staff Summary #TPF-2015-11, dated November 12, 2015 – 2016 Falmouth and Hyannis Parking Permit Rates.
9. Revised Staff Summary #A-590, dated November 12, 2015 – Proposed 2016 Capital Budget.
10. Staff Summary #A-591, dated November 12, 2015 – Approval of Managers in Connection with the Authority's Alcoholic Beverages Licenses.
11. Staff Summary #E2015-10, dated November 12, 2015 – Contract #22-15, "Dry-dock and Overhaul Services for the *M/V Gay Head*."
12. Revised Staff Summary #E2015-11, dated November 12, 2015 – Contract #26-15, "Hyannis Terminal Concrete Repairs."
13. Revised Staff Summary #E2015-13, dated November 12, 2015 – Contract #27-15, "Dry-dock and Overhaul Services for the *M/V Eagle*."
14. Staff Summary #E2015-14, dated November 12, 2015 – Contract #28-15, "Supply and Deliver Spare Parts for Eight (8) EMD 645 Diesel Engines and Two (2) EMD 710 Diesel Propulsion Engines."
15. Revised Staff Summary #E2015-15, dated November 12, 2015 – Contract #29-15, "Supply and Install Equipment to Modernize Two (2) Passenger Elevators on the *M/V Eagle*."
16. Revised Staff Summary #E2015-16, dated November 12, 2015 – Contract #30-15, "Supply and Deliver Spare Parts For Four (4) MTU12V 4000 M70 Marine Propulsion Engines."

November 17, 2015
Minutes of the Public Session

17. Revised Staff Summary #E2015-17, dated November 12, 2015 – Contract #31-15, “Supply and Deliver One (1) Twin Track Inflatable Slide, Four (4) Marine Evacuation Systems IBAs & Two (2) Double Link Launching Racks.”
18. Staff Summary #E2015-12, dated November 12, 2015 – “*M/V Martha’s Vineyard* Mid-life Refurbishment Design and Engineering Services.”
19. Staff Summary #VSL-2015-1, dated November 12, 2015 – Rescue Boat Replacement.
20. Staff Summary #TPF-2015-12, dated November 10, 2015 – Purchase (4) Four 36 Passenger Heavy Duty Transit Buses w/ Wheelchair Lifts.
21. Minutes of the Port Council’s November 4, 2015 Meeting (draft).
22. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

December 15, 2015

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of December, 2015, beginning at 9:30 a.m., in the mansion of Highfield Hall and Gardens, located at 56 Highfield Drive, Falmouth, Massachusetts. All five Members were present: Chairman Marc N. Hanover of Dukes County; Vice Chairman Elizabeth H. Gladfelter of Falmouth; Secretary Moira E. Tierney of New Bedford; Robert F. Ranney of Nantucket; and Robert L. O'Brien of Barnstable.

Port Council Chairman Robert R. Jones of Barnstable, Port Council Vice Chairman Robert V. Huss of Oak Bluffs, 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; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; Woods Hole Terminal Manager Kevin Smith; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Mr. Hanover announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Minutes:

In response to a question from Ms. Gladfelter, Mr. Lamson stated that Hy-Line already had acquired the high-speed passenger ferry that it plans to use on its Hyannis-Oak Bluffs route next year, and that he already had approved the ferry as being suitable for that route. Then, in response to another question from Ms. Gladfelter, Mr. Sayers stated that there was no need to amend SeaStreak's

license agreement to allow it to increase the capacity of the *M/V Martha's Vineyard Express* or the *M/V Whaling City Express* to up to 250 passengers on its New Bedford-Martha's Vineyard route, because while its license agreement requires SeaStreak to provide that service with those vessels or other "SeaStreak" class vessels, the agreement does not limit the capacity of any of those vessels to 149 passengers.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on November 17, 2015.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for October 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 0.4%), more automobiles (up 1.2%) and more trucks (up 1.8%) during the month than it had carried during the same month in 2014. Mr. Lamson also reported that the Authority's operating revenues and other income in October 2015 were \$470,000 higher than projected, and that its operating expenses and fixed charges were \$974,000 higher than budgeted, primarily due to higher dry-dock expenses for the *M/V Governor* and the *M/V Nantucket*. As a result, Mr. Lamson said, the Authority's net operating income for the month had been around \$182,000, approximately \$504,000 lower than projected. Mr. Lamson further reported that, for the first ten months of 2015, the Authority's operating revenues and other income had been around \$4,542,000 higher than projected, its operating expenses and fixed charges had been around \$1,924,000 lower than budgeted and, as a result, the Authority's net operating income had been around \$16,605,000, approximately \$6,466,000 higher than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson noted that the Authority's vessel fuel oil expenses for the first ten months of 2015 had been \$3,214,000 lower than the amount budgeted even though the Authority's vessels had consumed 33,000 more gallons of fuel than projected. Mr. Lamson stated that most of the increase in the amount of fuel used was due to higher fuel consumption rates for certain vessels compared to their respective rates in 2014 or their projected rates in the 2015 operating budget, and that Port Captain Gifford had reminded the Authority's Captains of the importance of conserving fuel whenever possible in maintaining schedules even though fuel prices have has dropped considerably.

Finally, Mr. Lamson reported that the Authority this year would probably end up transferring around \$6,800,000 more than originally budgeted to its Replacement Fund, Reserve Fund and Bond Redemption Account, and he noted that the additional money will be able to be used for future capital projects that the Authority otherwise would have to finance through the issuance of bonds. Ms. Tierney then complimented Mr. Lamson on the great job he was doing.

Construction of the *M/V Woods Hole*:

Mr. Lamson then reported that the construction of the *M/V Woods Hole* was proceeding at a pretty good clip, but that Conrad Shipyard was continuing to raise concerns about how delays in the delivery of some items of equipment could affect the vessel's delivery date. Mr. Lamson stated that he, Mr. Walker and Brian King of Elliott Bay Design Group had met last week with shipyard representatives and reviewed a new construction schedule showing the various tasks that remain to be completed, which of those tasks are dependent upon the completion of other tasks, and which of those tasks are driving the critical path schedule and eventual delivery of the vessel to Fairhaven. Mr. Lamson reported that, during their visit, they raised a number of questions about the assumptions being used and whether any of the work was being constrained by the lack of available resources, and that they were happy to hear that the shipyard's electrical subcontractor is able to provide additional resources if the shipyard asks it to do so.

Mr. Lamson recounted how, in October 2015, Conrad had stated that there could be a 70-day delay in the delivery of the vessel, but that Conrad's updated construction schedule that it had provided last week showed only a 40-day delay in the vessel's delivery date. Mr. Lamson then reported that, last night, he had received a further revised schedule from Conrad that now shows the vessel being delivered on May 27, 2016, representing only a four-week delay. Nevertheless,

Mr. Lamson said, the staff will continue to work with the shipyard to get the vessel's delivery date as close as possible to its original date of April 29, 2016.

After Mr. Lamson noted that the Authority's next progress meeting with Conrad was scheduled for January 13, 2016, Mr. Walker gave a presentation on the status of the construction of the *M/V Woods Hole*, showing slides of, among other things:

- The stacks and the pilothouse having been taken off the vessel so that the vessel can fit under the bridge when it is taken down river to Conrad's other shipyard in Amelia, Louisiana. Mr. Walker stated that, although Conrad was not then working on the pilothouse, it had assured the Authority that it is going to start working on it right away. Mr. Walker also noted that there is plywood in the window openings of both the pilothouse and the cabin, which he said were placed there as a workaround due to the late delivery of the windows so that Conrad can work on the inside of the vessel.
- The vessel's freight deck looking at the opening for the bow door, and also showing the absence of islands, stanchions or other structures on the freight deck so that it is wide open for the movement of vehicle and trucks.
- The 02 deck, which Mr. Walker observed has been painted and showing how Conrad was working on the insulation and wiring, as well as the piping systems and the ventilation duct work for the HVAC system.
- The hospital and bathroom area on the 02 passenger deck just after it had been painted.
- The engine room showing the main engines in boxes. Mr. Walker noted that Conrad was not working on hooking up the electrical or piping or alignment at this point.
- The engineer's operating station. Mr. Walker noted that the installers were working diligently.
- The three generators in the vessel. Mr. Walker noted that the Authority can operate the vessel with only two of the three generators if one of them were to have a problem.
- The temporary deck plates with plywood. Mr. Walker noted that the steel deck plates are not yet in.
- The pump room. Mr. Walker noted that Conrad had moved considerably within the past few weeks to get that equipment installed.
- The fire suppression systems that are being installed, which Mr. Walker said was going very well.

- The condensers for the HVAC system, which are ready to go on board the vessel. Mr. Walker stated that the shipyard was still waiting for the air handlers.

Mr. Walker also stated that he had traveled to the shipyard two weeks prior to the time that these photographs were taken, and that Conrad was really moving and working hard towards meeting the original delivery schedule. In addition, Mr. Walker said, a large painting operation will be starting on December 17th and will continue through December 28th. Finally, in response to a question from Ms. Gladfelter, Mr. Walker stated that the pilot house and stacks will be barged downriver to Conrad's other shipyard in Amelia, Louisiana.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority had filed its Notice of Intent for the Woods Hole Terminal Reconstruction Project with the Falmouth Conservation Commission and that, because some questions had been raised about the Authority's plans at the Commission's November 18th hearing, the Commission had decided to engage the services of a consultant to review the plans. Further, Mr. Lamson said, the Town's Engineering Department had requested that the Authority provide clarifications of certain aspects of its plans, although it had nevertheless recognized that the project will result in an improvement from what is on the site now. Mr. Lamson stated that, after the Commission engages a consultant, the hearing on the Authority's Notice of Intent will probably continue on January 6, 2016 and that the Authority's engineers hope to provide answers to the Town's questions about the Authority's plans well before then. In response to a question from Ms. Tierney, Mr. Lamson stated that the Authority, as the applicant, was required to pay for the Commission's consultant.

Mr. Lamson also noted that, in addition to receiving the Conservation Commission's Order of Conditions, the Authority still needs to apply for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, as well as a permit from the United States Army Corps of Engineers, before it moves forward with the final design and contract specifications for the project.

Information Technology Systems Improvements:

Ms. Claffey then reported on the improvements the Authority is making to its information technology systems, as follows:

- (a) Yesterday the staff reviewed and verified all of the changes that have been made to the Authority's Maximo computerized maintenance management information system as a result of its upgrade to that system, but the staff is still waiting for a few outstanding items that the Authority's consultant is working with IBM to resolve. Testing will begin internally later this week and, after that is complete, the staff will plan the date and time when the changes will be loaded onto the live system.
- (b) Late last week the staff implemented the changes that now allow the Authority's customers the option of extending the time during which their wait list requests continue to be processed from up to 48 hours in advance of their scheduled sailing to up until noon the day before their scheduled sailing. Since these changes were implemented, more than half of the Authority's customers who have chosen to be placed on the waitlist have elected to extend the time that their waitlist choices continue to be processed beyond the 48-hour-in-advance cutoff that the Authority has traditionally offered.

Ms. Claffey also reported that since July, when the Authority implemented its new program that allows customers, if they so choose, to receive notices of their wait list matches and trip cancellations by text, around 19,500 customers have signed up for this text message notification option. Mr. Claffey stated that the new program has been working well and that she is thrilled that customers feel it is such a big improvement.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that that the Authority was still experiencing problems with stormwater runoff at its Thomas B. Landers Road parking facility. Last week, Mr. Lamson said, the Authority's engineers arranged for additional soil borings to be taken, but the staff doesn't yet have a report on their findings or whether additional testing will be required prior to proposing a possible fix to correct the situation. Mr. Lamson stated that, as a result, the Authority still does not know whether the problem is due to a construction or an engineering issue.

M/V Island Queen License Request:

Mr. Lamson then asked the Members for authorization to execute another license agreement with Island Commuter Corp. to allow the *M/V Island Queen* to begin its 2016 summer schedule one week earlier than it otherwise would be allowed under the SSA's enabling act. Mr. Lamson noted that, as Mr. Hanover had suggested at last month's meeting, the staff's proposed license fees to be paid by Island Commuter Corp. are based upon the Authority's average per-passenger revenue during the month of June 2015 (the same month when the *M/V Island Queen* will provide the additional service next year) instead of the Authority's average per-passenger revenue during the entire calendar year.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to authorize the General Manager to execute a license agreement with Island Commuter Corp. in the form attached to Staff Summary #L-453, dated December 7, 2015, and to take all necessary and appropriate actions to carry out that agreement and fulfill the Authority's obligations thereunder.

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

Links on the Authority's Website to Its Licensed Ferry Operators:

Mr. Lamson then recounted how, at last month's meeting, there had been some discussion about whether the Authority should provide a link on its website to its licensed ferry operators, and whether the Authority also should require its licensed ferry operators to reciprocate by providing links on their websites to the Authority. Mr. Lamson stated that the staff has since changed the "Travel Connections" page of the Authority's website so that when people click on that page to find their "travel options" to either Martha's Vineyard or Nantucket, the website provides them with links to the websites of each island's

chamber of commerce. Mr. Lamson noted that the websites of both islands' chambers of commerce already provide information about all of the travel options that visitors have to get to each island. Mr. Lamson also reported that the staff had discussed this idea with the Port Council, and that the Port Council had unanimously voted to endorse it.

Ms. Tierney asked whether the Authority could also require its licensed ferry operators to provide similar links on their websites to the islands' chambers of commerce, but Mr. Hanover suggested that the Authority wait to discuss that subject until those operators' license agreements are up for renewal in two years. Mr. Hanover also stated that he thought the staff's idea was the best way to address this matter for now, although Ms. Gladfelter asked whether the staff could also provide links on the Authority's website to the chambers of commerce for Falmouth, Hyannis and New Bedford.

Hyannis Terminal Driverless Vehicle Policy:

Mr. Lamson asked the Members to approve the staff's recommendation to change the SSA's driverless vehicle standby policy during the months of July and August at the Hyannis terminal to prohibit customers from dropping off their cars at the terminal more than two calendar days in advance of their vehicle reservations. Mr. Lamson stated that such a change is necessary during those months because of all of the driverless vehicles that are shipped back and forth between Hyannis and Nantucket and the lack of room at the Hyannis terminal to stage them all there. However, Mr. Lamson noted that this change in policy would only apply to customers traveling on regular fares; customers traveling on excursion fares would still be allowed to drop off their cars at the Hyannis terminal more than two calendar days in advance of their vehicle reservations.

After Mr. Lamson noted that the Port Council had unanimously voted to recommend that the Members adopt the staff's proposed change in policy, he noted that the Authority's driverless services fee (the fee for driving a vehicle on or off the vessel) had just been increased this past year to \$35 during the summer months, resulting in a combined \$70 charge for driving a vehicle onto the vessel at the Hyannis terminal and then off the vessel at the Nantucket terminal. In response to a question from Ms. Tierney, Mr. Lamson stated that he did not feel the driverless services fee needed to be increased any further, especially since it applies to both visitors and island residents and island residents often cannot obtain a vehicle reservation for the time they want to travel.

Mr. Ranney stated that he supported the staff's proposed policy change, although it was more lenient than what he would have proposed. Mr. Ranney also observed that during the summer visitors often arrive up to a week earlier than their vehicle reservations and leave their cars behind while they take the fast ferry to the island. Mr. Ranney agreed that this policy change should help with that situation.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to approve management's proposed changes to the driverless vehicle standby policy during the months of July and August at the Hyannis terminal, as set forth in Staff Summary #TPF-2015-13, dated November 24, 2015.¹

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

Options for Freight Service between New Bedford and Martha's Vineyard:

Mr. Lamson then reviewed with the Members the outline of issues that the staff intends to study regarding potential freight service between New Bedford and Martha's Vineyard, observing that there are many policy questions that will need to be answered by the Authority, such as whether the freight service should be year-round or seasonal, whether it should be self-supporting, whether certain shippers or commodities will be required to use the service, what types of vehicles will be allowed to use the service, and what sources of funding might be available for the service.

¹ Reporter's Note: As a result of this change in policy, a customer arriving with his or her car at the Hyannis terminal during the months of July and August without a reservation will not be allowed to drop off the vehicle unless the terminal agent determines that it will be able to be shipped to Nantucket within 24 hours.

Mr. Lamson noted that additional policy matters will need to be decided if the Authority were to provide the freight service instead of licensing a private operator to do it, such as whether the Authority should decrease the number of truck spaces that are available on trips between Woods Hole and Martha's Vineyard and whether the Authority should use its spare vessel to provide the service. But Mr. Lamson observed that, even if the Authority were to have a private operator provide the service, a number of policy questions will still need to be decided, such as whether the Authority should work with only one operator or issue a request for proposals, whether the Authority should allow the private operator to use the Authority's facilities, whether the Authority should be responsible for the private operator's reservations and tickets, whether the Authority should determine what rates and fares the private operator can charge, and who should assume the financial risk of the service, the Authority or the private operator. In addition, Mr. Lamson noted that the Authority would need to decide how long the term of the license agreement should be, as a private operator may need twenty years to recover its investment in a new vessel to provide the service.

Mr. Hanover expressed his concern about how much time it will take the staff to explore the possibility of a freight service between New Bedford and Martha's Vineyard, observing that it was a huge undertaking. Mr. Hanover therefore suggested that the Authority instead should focus on the prospect of having R.M. Packer Co. carry trash by barge from Martha's Vineyard, which he said could possibly be done the following summer. Mr. Hanover recounted how he, together with Messrs. Balco, Lamson and Sayers, had met with Ralph Packer earlier that week, and he noted that the island had the potential of baling trash and loading the bales onto Mr. Packer's empty barges, which would then be used to backhaul the bales to New Bedford. Mr. Hanover also stated that Mr. Packer had been most considerate during their meeting and had expressed his willingness to help move this project forward.

Mr. Hanover stated that the Authority needed to take a leadership role in getting this barging operation started and that the first step might be to engage the services of a logistical engineer to see if it can happen. Mr. Hanover also observed that it has the potential of alleviating traffic on Woods Hole Road and also would be using otherwise empty barges to backhaul trash to New Bedford. Ultimately, Mr. Hanover said, there is potential in this project that he felt the Authority should explore and that it was a far more beneficial use of the staff's time than conducting a comprehensive study.

Ms. Tierney then stated that New Bedford was receptive to any increase in business, although she noted that the Mayor of New Bedford had expressed concern that any freight service between New Bedford and Martha's Vineyard not be a "trash-only" service. Further, Ms. Tierney noted that there probably is not be a sufficient amount of trash for a "trash-only" service to be sustainable. In response, Mr. Hanover suggested that this potential use of Mr. Packer's barges to transport trash from the island might only be a starting point and that there would be the potential of adding other freight in the future.

Mr. Balco agreed, observing how barging trash from the island would constitute "backhauling" for Mr. Packer, thereby enhancing the utilization of the barges which he uses to ship other freight from New Bedford. Mr. Balco therefore noted that this operation might help Mr. Packer ship even more freight from New Bedford than he already is carrying.

Ms. Gladfelter then observed that, as shown by the staff's comprehensive outline of issues, this was not a problem that is going to be solved immediately. Therefore, while Ms. Gladfelter stated that trash could be the first type of freight on which to focus, she would like to see the staff continue with their analysis. Ms. Gladfelter also stated that she was more inclined to have the staff explore the possibility of a private operator providing freight service between New Bedford and Martha's Vineyard instead of having the Authority provide it, given her concerns about the so-called "Pacheco Act" and what would be the need for the Authority to establish a whole new presence in New Bedford.

Ms. Gladfelter also noted that, if the Authority were to continue operating the same number of boat trips from Woods Hole and those boats begin carrying fewer freight trucks, then they will be carrying more automobiles; and she stated that she would like to get a feeling from the Falmouth community about what concerns they may have about that prospect and how those concerns should be addressed. Ms. Gladfelter also observed that, due to the nature of the Authority's operations, there will always be conflicts between the Authority's activities and its neighbors, and she declared that the Authority will continue trying to resolve them as best it can but will need to develop innovative strategies to do so while providing service for the islands. Nevertheless, Ms. Gladfelter said, she was optimistic about the Authority's ability to come up with a solution for providing freight service between New Bedford and Martha's Vineyard, and Ms. Tierney agreed.

Mr. Jones then observed that the Authority was faced with a myriad of questions, that every one of those questions needs an answer, and that there is no clear direction where the Authority is heading. Mr. Jones suggested that, in order to provide the staff with direction, a questionnaire be prepared which

avoids the minutia and seeks answers to the basic questions, such as whether the service should be provided by the Authority or a private carrier. Mr. Jones also noted that, if the Authority were to decide that a private carrier should provide the service, it should put the word out, instead of issuing a request for proposals, and see if anyone is interested in doing so. In this way, Mr. Jones said, the Authority can see if someone can develop a service to mitigate traffic on Woods Hole Road.

Mr. Jones also noted that the Authority has to look at the costs of such a freight service, observing that the pilot program the Authority tried fifteen years ago already has helped him at least partially to make up his mind on this issue. Mr. Jones recounted how the pilot program had lost around \$600 for every truck carried between New Bedford and Martha's Vineyard, and he declared that it was crazy for anyone to assert that it had been set up to fail. Mr. Jones also noted that it would be even more financially infeasible to operate a freight service between New Bedford and Nantucket because of its greater distance, unless someone is willing to pay for the deficit.

Mr. Jones then recounted how the Port Council had discussed this subject at their December 2, 2015 meeting, and he said that New Bedford Port Council member Edward Anthes-Washburn had made an excellent statement that was reflected in the minutes of that meeting.² Ultimately, Mr. Jones said, the Authority needed to continue to study the matter but it also needed to be open minded.

² Reporter's Note: The minutes of the Port Council's December 2, 2015 meeting reflect the following statement by Mr. Anthes-Washburn about potential freight service between New Bedford and Martha's Vineyard:

Mr. Anthes-Washburn then stated that the City of New Bedford was happy to have any discussions about a potential freight service that make sense and to show the staff the port's facilities, but he noted that, like any other shipper, a private operator must want to use the port of New Bedford. Mr. Anthes-Washburn also noted that the staff's outline has raised a number of questions about whether a freight service from New Bedford makes sense, and he declared that the Authority needs to have a robust engagement with all of the affected communities, including both Falmouth and Martha's Vineyard, about this matter and, further, that the discussion needed to be from a 30,000-foot view and not just a view from Woods Hole Road.

Mr. Hanover stated that he would like the staff to pursue the trash barging operation vigorously with the goal of putting something together that could be started next year. In response, Mr. Lamson stated that, while he thought such a goal was overly optimistic, the staff could work on it. In addition, Mr. Lamson noted that starting an operation to barge trash from Martha's Vineyard would also depend upon how much lead time it takes to procure a baler and how the island's refuse districts are funded. Nevertheless, Messrs. Hanover and Balco stated that it would be reasonable for the Authority to take the lead on such a project.

Ms. Gladfelter also agreed that the Authority definitely should go forward with the idea of barging trash from Martha's Vineyard, observing that it made sense for the shippers, the communities and the Authority. Ms. Gladfelter then stated that she would also like to direct the staff to research what would be involved in getting private carriers to provide freight service between New Bedford and Martha's Vineyard, saying that such a service would be a great addition to the regional transportation network.

But Ms. Tierney expressed her concern that having a private carrier provide such a freight service might result in the Authority giving away another potential source of revenue and more jobs. Therefore, while Ms. Tierney stated that she was not opposed to the possibility of a private carrier providing the service, she still wanted all of the options analyzed. In response, Mr. Lamson stated that the staff would continue to investigate all of the options and look at all of the potential costs, and would also continue the conversations they had started about this subject with private carriers.

Treasurer's Report:

Mr. Davis then reported that, during November 2015, the Authority had carried more passengers (up 8.1%), more automobiles (up 3.8%) and more trucks (up 10.7%) than it had carried during the same month in 2014; and that, for the first eleven months of 2015, the Authority had carried 4.3% more passengers, 1.5% more automobiles, and 3.7% more trucks than it had carried during the first eleven months of 2014. Mr. Davis also reported that the Authority's net operating loss for the month of November 2015 was expected to be around \$2,425,000, almost \$1,000,000 lower than what had been budgeted for the month, due to revenues being \$690,000 higher than budgeted and expenses \$260,000 lower than budgeted; and that, for the first eleven months of 2015, the Authority's net operating income was expected to be around \$14,175,000, approximately \$7,500,000 higher than budgeted.

Mr. Davis then stated that, with respect to the Authority's "Ways to Save" promotions for the Nantucket route during the first eleven months of 2015, the Authority had sold 7,588 ten-ride ticket books for the *M/V Iyanough* (up 9.8%), 4,312 1-3 day fast/slow combination tickets (up 4.1%), 1,130 fast ferry upgrade tickets (up 8.0%), 54,936 same-day fast ferry round-trip tickets from Hyannis (up 12.0%), 5,678 same-day fast ferry round-trip tickets from Nantucket (up 4.0%), and 787 SuperSaver vehicle tickets (up 0.5%). Finally, Mr. Davis reported that the Authority had carried 1,371 more passengers (up 17.4%) on the Nantucket route during the 2015 Christmas Stroll weekend (Thursday through Sunday) than in 2014, although most of the increase was the result of carrying 1,225 more passengers on Sunday than the previous year's Sunday, when fast ferry service had been cancelled due to bad weather.

Nantucket Terminal Public Restroom Renovations:

Mr. Lamson then asked the Members for authorization to award Contract #19-15, "Nantucket Terminal Public Restroom Renovations," to Casby Bros., Inc. of West Roxbury, Massachusetts, the lowest eligible and responsible bidder for that contract, for a Total Contract Price of \$170,000. Mr. Lamson noted that the contract will require the contractor to renovate the public restrooms at the Nantucket terminal, including replacing the tile flooring and walls, the bathroom fixtures (such as sinks and toilets), and partitions, and installing new lighting.

In response to a question from Ms. Gladfelter, Mr. Walker stated that the cost estimate for the contract was so low because the staff did not factor in the location for the work and also because it was prepared very early in the process. In response to a question from Mr. Ranney, Mr. Walker stated that, although no Nantucket contractors had bid on the contract, the invitation for bids package had been sent to everyone who requested it and the Authority also advertised the contract in the Nantucket newspaper. Mr. Walker also stated that temporary toilets will be in place at the Nantucket terminal while the bathrooms are being worked on and that the contract will take six to eight weeks from start to finish.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to authorize the General Manager to award Contract No. 19-15, "Nantucket Terminal Public Restroom Renovations," to Casby Bros., Inc. of West Roxbury, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$170,000.00, as recommended by management in Staff Summary #E 2015-18, dated December 10, 2015.

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

Hyannis Terminal Public Restroom Renovations:

Mr. Lamson then asked the Members for authorization to award Contract #20-15, "Hyannis Terminal Public Restroom Renovations," to Benn Construction Co., Inc., of Sandwich, Massachusetts, the lowest eligible and responsible bidder for that contract, for a Total Contract Price of \$137,844. Mr. Lamson stated that the contract will require the contractor to similarly renovate the public restrooms at the Hyannis terminal.

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract No. 20-15, "Haynnis Terminal Public Restroom Renovations," to Benn Construction Co., Inc. of Sandwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$137,844.00, as recommended by management in Staff Summary #E 2015-19, dated December 10, 2015.

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

Contract to Modernize Two Elevators on the M/V Eagle:

Mr. Lamson then reported that, in accordance with the authorization that the Members had given him last month, he had awarded Contract #29-15, "Supply and Install Equipment to Modernize Two Passenger Elevators on the *M/V Eagle*," to BBE Corporation (Buckley Elevator) of Salem, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$161,500. In response to a question from Mr. Ranney as to whether the contract was for the installation of new elevators or the replacement of parts in the old ones, Mr. Walker stated that the parts are going to be new and that the initial structure (the elevator cab) will be upgraded because the purpose was to make the elevators serviceable and keep them operating. Mr. Ranney stated that was the reason for his question, as one of the elevators has not been working since at least July. In response, Mr. Walker stated that he wished he had been told that it wasn't working because was not aware of it.

Contract for Spare Parts for Four MTU Engines:

Mr. Lamson then reported that, in accordance with the authorization that the Members had given him last month, he had awarded Contract #30-15, "Supply and Deliver Spare Parts for Four MTU 12V 4000 M70 Marine Propulsion Engines," to Power Product Systems, LLC (New England Detroit Diesel – Allison) of Wakefield, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$517,051.97. Mr. Lamson also noted that, even though the staff had believed that there is only one source for these engines due to restrictions on MTU engine distributors from bidding on contracts in other distributors' territories, the Authority had received bids for this contract from two separate companies.

Contract for Inflatable Buoyant Apparatuses:

Mr. Lamson then reported that, in accordance with the authorization that the Members had given him last month, he had awarded Contract #31-15, "Supply and Deliver One Twin Track Inflatable Slide, Four Marine Evacuation System Inflatable Buoyant Apparatuses (IBAs) and Two Double-Link Launching Racks," to Liferaft Systems Australia of Derwent Park, Tasmania, Australia, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$158,708.82.

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed their concerns about Conrad Shipyard's request for a 70-day delay in the delivery of the *M/V Woods Hole* and the Authority's continuing problem with stormwater runoff at its Thomas B. Landers Road parking lot, but that their longest discussion was about potential freight service between New Bedford and Martha's Vineyard. Mr. Jones observed that researching all of the issues surrounding the potential service was a monumental task, and he suggested that the Authority might have a been sense of where it was heading on this matter if the Members were to provide preliminary answers to at least a few of the issues that the staff had identified.

Mr. Jones then announced that the Port Council also had voted to elect the following members to be their officers for the year 2016: Oak Bluffs Port Council member Robert V. Huss as Chairman; Tisbury Port Council member George J. Balco as Vice Chairman; and Falmouth Port Council member Robert S. C. Munier as Secretary.

Election of Officers:

Mr. Hanover announced that, in accordance with the Authority's Enabling Act, Ms. Gladfelter, as the Authority's Falmouth Member, will automatically become the Authority's Chairman for the year 2016. Mr. Hanover then entertained motions for the election of the Authority's Vice Chairman and Secretary for the upcoming year.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Gladfelter -- to elect Moira E. Tierney to serve as the Authority's Vice Chairman for the year 2016.

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

IT WAS VOTED -- upon Ms. Gladfelter's motion, seconded by Ms. Tierney -- to elect Robert F. Ranney to serve as the Authority's Secretary for the year 2016.

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

2016 Authority Meeting Schedule:

Mr. Lamson presented the Members with a proposed 2016 Authority meeting schedule, which called for meetings on the third Tuesday of every month during the year. Mr. Lamson also noted that the Members may want to change the starting time for some of the meetings during the summer so that they can travel to and from the meetings on Hy-Line's and SeaStreak's newly licensed inter-island and New Bedford-to-Nantucket ferries. However, Mr. Hanover stated that such decisions could be made closer to the time of each meeting.

M/V Eagle Dry-dock and Overhaul Services Contract:

Mr. Lamson then noted that, at last month's meeting, he also had received authorization to award Contract #27-15, "Dry-dock and Overhaul Services for the *M/V Eagle*," to the lowest eligible and responsible bidder for the contract after the opening of bids therefor, which had then been scheduled for December 2, 2015. But Mr. Lamson reported that the bid opening subsequently had been postponed and that, as a result, the bids were being opened that afternoon. In addition, Mr. Lamson said, the vessel was scheduled to go into the shipyard just after January 1, 2016 and the staff expected a couple of shipyards to submit bids for the contract, the cost of which was estimated at \$904,000.

Call Center Phone Activity and Internet Reservations Report:

Ms. Gladfelter noted that, based upon the Call Center Phone Activity and Reservations Report for November 2015, which showed that the average wait time for all calls to the Mashpee and Martha's Vineyard Airport Reservation Offices was 19 seconds that month (compared to 40 seconds in November 2014), the Reservations Office was clearly doing something right.

Public Comment:

Nat Trumbull of 11 Church Street, Woods Hole, stated that he was very proud of the Authority, which he said has always been a good neighbor, but that four years ago there had been a change in the Woods Hole terminal operations and he had been looking into the reasons for it. In this regard, Mr. Trumbull thanked Messrs. Lamson, Rozum and Smith, and provided the Members with the list of questions that he previously had given to Mr. Lamson.

Specifically, Mr. Trumbull stated that the issue was the terminal noise that begins at 4:45 every morning almost to the minute, and the noise is related to the convoy of very large trucks that arrive for the 5:30 a.m. ferry. Mr. Trumbull recounted how the trucks' engines go into forward and reverse while they back into the 5:30 a.m. freight boat, how in some instances the trucks are 64 feet long and weigh almost 80,000 pounds, and how there is all of the back-up beeping that is required by law and cannot be turned off. Mr. Trumbull also noted that the truck drivers idle their engines between the time they arrive (4:45 a.m.) and the time the ferry leaves (5:30 a.m.).

Mr. Trumbull stated that the outstanding question that he and three other neighbors had was why the Authority had to add a 5:30 a.m. freight trip four years ago and whether that trip is permanent. In this regard, Mr. Trumbull noted that the number of trucks greater than 20 feet in length had not increased substantially, so he could not understand what changed four years ago that necessitated this noisy operation, which he said was quite troubling to the community. Mr. Trumbull also asked that, if the change was simply a matter of convenience for the truckers, the Authority also consider the impact of the early morning operations on its neighbors.

In response, Mr. Lamson recounted how, when the Authority scheduled its 5:30 a.m. freight trip four years ago, it was during the summer with the *M/V Governor*, so the trucks could drive through the vessel and there was no need for them to back up. Mr. Lamson also noted that the Authority had added this trip

because island residents were trying get off-island earlier in the day and the *M/V Governor* was not carrying many vehicles on its last trips at night. As a result, Mr. Lamson said, the Authority decided to begin the *M/V Governor's* operating schedule earlier in the day when people wanted to travel, and for several years afterwards had not heard a lot of complaints about it.

However, Mr. Lamson noted that, until this past year, the first freight trip during the fall operating schedule had left Woods Hole at 6:15 a.m. Mr. Lamson stated that, because the *M/V Governor* is not running during this time of year, the trucks loaded onto the first freight trip of the day (which now leaves at 5:30 a.m.) have to back up onto the vessel. Mr. Lamson also stated that he had gone down to the Church Street Bridge at 5:00 in the morning to listen to the noise from the Woods Hole terminal and that he heard more noise from cars going down Woods Hole Road. Nevertheless, Mr. Lamson said, the staff was continuing to work on this issue and was considering whether the Authority should have a 5:30 a.m. freight trip during the 2016 fall operating schedule. Mr. Lamson also assured Mr. Trumbull that he would answer the questions that Mr. Trumbull had submitted to him.

Ms. Gladfelter observed that there is some sort of conflict between the Authority and its neighbors at every one of the Authority's port communities, and she stated that she had been impressed by the staff's efforts to address them. Ms. Gladfelter further stated that she hoped the Authority's neighbors and others in Falmouth will continue to reach out and meet with the Authority to identify and discuss what the issues are, such as idling engines (which she noted are not to be idled more than five minutes anywhere). Ms. Gladfelter stated that, if the Authority and the community work together, they will be able to mitigate some of these conflicts, although not completely as there will still be traffic due to the Authority's operations. Nevertheless, Ms. Gladfelter declared, the Authority will do its best and constructive suggestions are always welcome.

Mr. Trumbull then observed that the Authority's new *M/V Woods Hole* will be a drive-through vessel, and he asked whether that vessel could be scheduled to run the first freight trip in the morning. In response, Mr. Lamson stated that, during the 2016 summer operating schedule, the *M/V Governor*, which is also a drive-through vessel, will be providing the 5:30 a.m. freight trip and that the *M/V Woods Hole* will be starting its operating day at 5:30 a.m. in Vineyard Haven. Mr. Lamson also noted that, during the 2016 fall operating schedule, the *M/V Woods Hole* will be the only freight boat assigned to run regular freight trips on the Martha's Vineyard route, after spending time on the Nantucket route between Labor Day and Columbus Day.

In response to another question from Mr. Trumbull, Mr. Lamson stated that the staff would look into the possibility of opening the Woods Hole terminal later in the morning, observing that the trucks should not need to arrive 45 minutes before the first freight trip is scheduled to depart. However, Mr. Lamson observed that delaying the opening of the terminal may cause truck drivers to stop and idle their engines somewhere else, thereby simply transferring the problem to another location. Nevertheless, Mr. Trumbull stated that the first dozen trucks arrive every day between 4:45 and 5:00 in the morning, and he noted that other neighbors are concerned about this as well.

The Year 2015:

Mr. Ranney thanked his fellow Members and the staff for their service this past year, as well as Mr. Hanover for his leadership, and then suggested that the Authority send a letter to all of its employees thanking them for everything they have done to make 2015 a great year for the Authority. Mr. Ranney observed that because he is a customer as well as a Member of the Authority, he takes a lot of these issues to heart.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Gladfelter -- to send a letter to all of the Authority's employees thanking them for everything they have done to make 2015 a great year for the Authority.

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

At approximately 11:17 a.m., Mr. Hanover entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the potential acquisition of additional property in Hyannis. After Mr. Hanover announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating positions, he stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and he announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to go into executive session to consider the purchase, exchange, lease or value of real property.

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

A TRUE RECORD



MOIRA E. TIERNEY, Secretary

**Documents and Exhibits Used at the
December 15, 2015 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 15, 2015 Meeting Memorandum, dated December 10, 2015.
2. Video and Audio Recording Announcement.
3. Minutes of the November 17, 2015 Meeting in Public Session.
4. Business Summary for the Month of October 2015.
5. Slide Presentation, "Steamship Authority Board Meeting, December 15, 2015, Capital Project Updates."
6. Staff Summary #L-453, dated December 7, 2015 – M/V Island Queen License Request.
7. Staff Summary #TPF-2015-13, dated November 24, 2015 – Proposed Changes to the Driverless Vehicle Policy in Hyannis.
8. Outline of Issues regarding Potential Freight Service between New Bedford and Martha's Vineyard, dated December 1, 2015 (draft).
9. Staff Summary #E 2015-18, dated December 10, 2015 – Contract #19-15, "Nantucket Terminal Public Restroom Renovations."
10. Staff Summary #E 2015-19, dated December 10, 2015 – Contract #20-15, "Hyannis Terminal Public Restroom Renovations."
11. Staff Summary #E 2015-20, dated December 10, 2015 – Contract #29-15, "Supply and Install Equipment to Modernize Two (2) Passenger Elevators on the *M/V Eagle*."
12. Staff Summary #E 2015-21, dated December 10, 2015 – Contract #30-15, "Supply and Deliver Spare Parts for Four (4) MTU 12V4000 M70 Marine Propulsion Engines."
13. Staff Summary #E 2015-22, dated December 10, 2015 – Contract #31-15, "Supply and Deliver One (1) Twin Track Inflatable Slide, Four (4) Marine Evacuation Systems IBAs & Two (2) Double Link Launching Racks."
14. Minutes of the Port Council's December 2, 2015 Meeting (draft).
15. The Chairman's Suggestions as to Who Should be Elected to be the Authority's Officers for the Year 2016.
16. Memorandum to the Authority Members, dated December 10, 2015, regarding the Proposed 2016 Authority Meeting Schedule.
17. Call Center Phone Activity and Internet Reservations Report (November 2015).

December 15, 2015
Minutes of the Public Session

18. List of Questions for Mr. Lamson from Residential Neighbors, dated December 4, 2015.
19. Statement to be Read Prior to Going into Executive Session.