

MINUTES

OF THE

WOODS HOLE, MARTHA'S VINEYARD AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

July 13, 1995

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 13th day of July, 1995, beginning at 9:00 a.m., in the conference room of the Barnstable Airport, Barnstable, Massachusetts.

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

Also present were two members of the Authority's Finance Advisory Board: Norman F. Beach of Nantucket; and Paul R. Kelleher of Falmouth

The following members of the Authority's management staff were also present: General Manager Armand L. Tiberio; Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Special Projects Manager Wesley J. Ewell; Hyannis Terminal Manager James Rubino; and Executive Secretary to the General Manager Maxine Horn.

Hyannis Terminal Reconstruction Project:

Mr. Tiberio opened the meeting by saying that it was a pleasure to be able to bring to the Members all of the information they needed to move the Hyannis Terminal Reconstruction Project forward after a number of previous delays. Mr. Tiberio then reviewed the information contained in Staff Summary #GM-338, dated July 12, 1995, recounting how, when the Authority opened bids for the terminal construction contract on June 2, 1995, J.K. Scanlan Company, Inc. was the low bidder for that contract with a bid of \$1,743,000. Mr. Tiberio also advised the Members that when the Massachusetts Highway Department opened bids for the marine and site work contract on July 11, 1995, AGM Marine Contractors was the apparent low bidder for that contract, with a bid of \$4,218,111. Accordingly, Mr. Tiberio asked the Members to approve an overall budget of \$8,789,805 (after deducting the

\$2,000,000 ISTEA grant) for the project, as set forth in the staff summary.

Mr. Tiberio also reminded the Members that, due to the involvement of ISTEA monies, the Authority would not be awarding the marine and site work contract. Instead, it would be awarded and administered by the Highway Department. In this regard, Mr. Tiberio expressed his hope that the Highway Department would award that contract within the next sixty days so that the required dredging could commence around October 1, 1995, when the contractor would be able to dispose of the spoils off-shore.

Mr. Tiberio also noted that the amount of AGM Marine Contractors' bid included the cost of two different methods of dredging and that the Authority would receive a credit against the contract price once it is determined which method will be used. Mr. Tiberio said that he anticipated the credit ultimately would be around \$200,000, although he would provide the Members with more concrete information when he receives it.

In response to a question from Mr. Grossman, Mr. Ewell stated that the marine and site work contractor would be required to demolish the concrete structure that houses the truck scale which is currently on the site, but that the Authority was free to remove the truck scale itself or offer it for sale. Mr. Ewell also said that the terminal construction contract would not disrupt the terminal's operations for the rest of the summer, except to the extent that vehicles will have to exit the terminal by means of Pleasant Street instead of School Street.

Mr. Ewell then confirmed Mr. Kelleher's observation that the low bids for both of the contracts were less than what the Authority's designer previously had estimated their cost would be. In response to a question from Mr. Rappaport, Mr. Ewell also assured the Members that there was no question that the ISTEA funding was committed. Further, Mr. Ewell said that, although it would be much more desirable to have the dredging work completed between October and January so that the spoils could be disposed of off-shore, if the Authority missed that window of opportunity it would not be fatal to the project. In such an event, the Authority still would be able to dispose of the spoils on-shore or delay the dredging until the following year.

In response to a question from Mr. O'Brien, Mr. Lamson stated that the overall budget for the project included a five percent contingency with respect to the terminal construction contract and a three percent contingency with respect to the marine and site work contract. In this regard, Mr. Ewell said that allowing a contingency of five percent was pretty much standard practice in the industry, and that he felt confident the

cost of the project would not exceed that amount. Mr. Ewell also commented that the Authority's inclusion of such a contingency was particularly appropriate in this case because the contractor would be digging underground at a site where there had been previous uses.

Mr. Rappaport declared that he had no problem supporting the project at this point, since he was satisfied of the need to build a second slip at the Hyannis terminal. Mr. Rappaport noted that the project would benefit the Authority's entire operations, because it would prevent the need to route Nantucket traffic through Woods Hole in the event the existing slip at the terminal ever had a problem. Mr. Rappaport said that his concern with the project had been the amount of its budget, and that he was pleased that the combined cost of the two contracts was less than the previous estimates. He then gave credit for that achievement to all the people involved with the project and, in particular, Mr. O'Brien, who responded to all of the concerns that had been raised by Barnstable residents and public officials.

State Representative Eric Turkington assured the Members that he would provide whatever assistance he could to ensure that the Highway Department awarded the marine and site work contract as soon as possible. Noting that the Authority's project had more public access and public amenities than any other waterfront project in the state, Mr. Turkington also said that he believed the residents of Barnstable will be thrilled with the project when it is completed and that it will be the crown jewel of the Town's efforts to improve the Hyannis harborfront.

Noting the presence of Mark Forest, district director for U.S. Representative Gerry Studds, in the audience, Mr. Grossman expressed the Members' thanks to Representative Studds and all of the other public officials who had been so helping in providing the financial assistance and cooperation which had been necessary to bring the project to fruition.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Grossman -- as follows:

- (1) To approve an overall budget of \$8,789,805 (after deducting the \$2,000,000 ISTEA grant) for the Hyannis Terminal Reconstruction Project, including the cost of property acquisition, design and engineering, Chapter 149 Building Contract, Chapter 30 Marine Contract, allowance for contingencies and appropriate miscellaneous expenses related to the project;**

- (2) To award Contract No. 16-94 for the Hyannis Ferry Terminal Reconstruction to J. K. Scanlan Company, Inc. for the Contract Price of \$1,743,000.00;
- (3) To authorize the General Manager to execute the Agreement between Owner and Contractor for the Hyannis Ferry Terminal Reconstruction Project with J. K. Scanlan Company, Inc. in accordance with the provisions of the Authority's Invitation for Sealed Bids for the Hyannis Ferry Terminal Reconstruction Project, dated October 5, 1994; and
- (4) To authorize the General Manager to take all necessary and appropriate actions to fulfill the Authority's obligations under the aforesaid Agreement.

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

Food Concession Contract:

Mr. Sayers then recounted how the Members had been advised at their last meeting of the staff's intent to issue a request for proposals for a new food concession contract after the current contract with Boston Concessions Group, Inc. expires at the end of 1995. Mr. Sayers said that, as requested by the Members, the staff had provided them with a revised request for proposals in which all of the Members' suggestions regarding the proposed contract and competitive proposal process had been included. In particular, Mr. Sayers noted:

- (1) That the request for proposals now identified the particular items of equipment which were to be furnished by the Authority and provided that the concessionaire would be responsible for their repair;
- (2) That the Authority would review the concessionaire's proposed menu and prices, and that the concessionaire would not be allowed to increase any prices unless it obtains the Authority's written consent;
- (3) That the term of the contract was limited to three years;
- (4) That the proponents would have the option of submitting proposals for the entire service or for providing service for only one of the island runs, and that it

will be up to the Authority to decide which of the situations is most advantageous for the Authority after it receives and evaluates all of the proposals; and

- (5) That the concessionaire would be required to comply with all rules which may be issued from time to time by the Authority's General Manager to make certain, among other things, that appropriate menu items will be available for sale at all times that they should be.

Mr. Sayers also advised the Members that the staff intended to prohibit the concessionaire's employees from accepting tips under the new contract, since the Authority's employees already were prohibited from doing so. Mr. Sayers said that due to this change in practice, proponents would be required to provide the Authority with their employees' anticipated wage rates and fringe benefits, and the staff would consider that information when evaluating the proposals. Mr. Sayers also stated that the Authority was prohibiting the sale of all cigarettes and tobacco products, since the law prohibited smoking on board the Authority's vessels anyway.

Mr. Rappaport then declared that it appeared that the staff had addressed all of concerns that had been expressed by the Members at their prior meeting and that the revised request for proposals generally met with his approval. Similarly, Mr. Kelleher stated that he was glad to see that the Authority was addressing his concern about oversight of the food concession on a day-to-day basis to make certain that the concessionaire in fact provides what it promises to provide.

In response to a question from Mr. Grossman, Mr. Sayers stated that the staff had considered the possible problems with the Authority's alcoholic beverages licenses which would arise if the Authority were to award two separate concessionaire contracts. While acknowledging that such a situation would pose an administrative problem, Mr. Sayers said that it would not be insurmountable and that each concessionaire would be responsible for its own liquor liability.

In closing, Mr. Grossman noted that a number of the Authority's patrons had expressed their great appreciation for the improvement of the food service this year over what had been provided in the past.

Woods Hole Traffic Management:

Mr. Tiberio then reported that the Authority's operations at the Woods Hole terminal ran into some difficulties due to the flow of traffic over the Independence Day Weekend. He said that the staff had taken some time to determine what had taken place, and had generated a number of preliminary suggestions and ideas in an attempt to address some of the concerns and alleviate the problem in the future. Mr. Tiberio stated that his particular recommendation that day was for the staff to continue refining its preliminary recommendations to come up with other alternatives that the Authority might want to seriously consider in the future, with a view towards coming back to the Members within sixty to ninety days with a very specific game plan to deal with the issue and an estimate as to how much it will cost.

Mr. Rappaport expressed his appreciation for the fact that Mr. Tiberio personally spent the day on Saturday, July 1st, at the Woods Hole terminal. Mr. Rappaport also declared that he thought Mr. Tiberio's report was complete, comprehensive and extremely informative. What was surprising to him was the fact that there were actually fewer vehicles transported from Woods Hole to Martha's Vineyard during that time period than there were in 1994. It therefore appeared to him that the Authority had more of a timing problem, with people arriving Friday night and Saturday morning in unprecedented numbers.

Mr. Rappaport also stated that he supported all of Mr. Tiberio's five suggested alternatives, and that he looked forward to the staff's continued refinement of the alternatives and their pursuit of other options so that a back-up of traffic on Woods Hole Road would not happen again. In addition, Mr. Rappaport commented on the increase in the number of standbys as a percentage of the Authority's service, and suggested that the mix of patrons who travel with reservations and on standby deserved further study. Finally, Mr. Rappaport said that he knew a number of constituencies both in Falmouth and on Martha's Vineyard who would be interested in being involved in the process as it moved forward.

In response to a question from Mr. Andrews, Mr. Tiberio confirmed that there had been no changes in the Authority's policies regarding guaranteed standby. Mr. Tiberio also reported that, although traffic continued to be heavy, the Authority subsequently had not experienced any problems which were even close to what had occurred on July 1st. Nevertheless, Mr. Tiberio said, the staff would be assessing whether the Authority should take any additional precautions to make certain that the situation which occurred on July 1st would not happen again during the July/August Turnover Weekend.

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Mr. Kelleher then recommended that the Authority develop a traffic model to try to forecast what traffic situations will develop in the future. Mr. Kelleher noted that the Authority last conducted a traffic survey in 1992, and he thought the Authority might begin to research and develop the model during the remainder of the 1995 summer season. In particular, he felt that the Authority should not reach any decisions with respect to this issue before that model was put in place.

Mr. Kelleher also stated that the chambers of commerce on the islands needed to improve their communications with the Authority by advising the Authority when they have information indicating that traffic will be especially heavy on a particular weekend. In this regard, Mr. Kelleher noted that the Martha's Vineyard Chamber of Commerce had such information with respect to the Independence Day Weekend but had not transmitted it to the Authority.

Mr. Kelleher also suggested that the Authority might explore the idea of selling tickets at off-site locations on a trial basis this summer, although he cautioned the staff first to review the reasons why such a practice had never been implemented before. In summary, Mr. Kelleher declared that while the Authority had to rapidly evaluate the situation which resulted in the traffic problem that occurred during the Independence Day Weekend, at the same time it had to make certain that it looks at all of the potential consequences that might result from any actions that may be taken.

For the record, Mr. Tiberio reported to the Members that no fistfights had occurred at the Woods Hole terminal on July 1st and that there were no state police patrols on horseback, although there were both state and Falmouth police officers present who were very gracious all day and into the early hours of the following morning. All in all, Mr. Tiberio said, the Authority's patrons were very orderly and that he felt the Authority's terminal personnel were the ones who really deserved the credit for managing the situation so well.

Mr. Grossman similarly complimented James Rubino and the personnel at the Hyannis terminal for the excellent job they perform in coping with the traffic problems at that location. Mr. O'Brien also commented that the bad situation which occurred could have been even worse if a sufficient number of police officers had not been present, and stated his opinion that the Authority should always err on the side of hiring more police officers in such circumstances rather than trying to cut back on such expenses.

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IT WAS THEN VOTED -- on Mr. Andrews' motion, seconded by Mr. Grossman -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase and value of real estate, and personnel matters.

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

Before the Members voted to go into executive session at approximately 9:35 a.m., Mr. Rappaport stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD



BERNARD D. GROSSMAN, Secretary

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

The Meeting in Public Session

July 27, 1995

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 27th day of July, 1995, beginning at 10:20 a.m., in the Selectmen's Meeting Room of the Town and County Building, 16 Broad Street, Nantucket, Massachusetts.

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

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

The following members of the Authority's management staff were also present: General Manager Armand L. Tiberio; Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; Customer Services Manager Gina Barboza; Nantucket Terminal Manager Paul R. Harrington; and Executive Secretary to the General Manager Maxine Horn.

Minutes:

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on June 15, 1995.

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

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Grossman -- to approve the minutes of the Members' meeting in public session on July 13, 1995.

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

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the contractor had broken ground and that the work was proceeding in accordance with the schedule attached to Staff Summary #SP-044, dated July 25, 1995.

Mr. Tiberio then advised the Members that the Massachusetts Highway Department had suggested, and the staff was recommending, that the Authority develop the "Hinckley" parking lot itself instead of having the Highway Department develop it under the \$960,000 federal ISTEA grant. Mr. Tiberio stated that the decision would mean that the Authority would be eligible for only \$810,000 of the ISTEA grant instead of the full \$960,000, but that if the Highway Department were to develop the property it would be unrealistic to expect the design and construction to be completed prior to the 1996 summer season and there was a strong possibility that the Authority would probably incur more than \$150,000 of additional costs anyway, since the additional design and construction would then have to meet minimum requirements of the Federal Highway Department, such as the thickness of the paving, with which the Authority otherwise would not have to comply. Finally, Mr. Tiberio reported, if the Members were to approve the staff's recommendation, the Highway Department had informed him that the Authority would receive all of the \$810,000 of the grant by the end of September 1995.

Noting the substantial likelihood of delays and increased costs if the Highway Department were to develop the property, Mr. Rappaport declared that the staff's recommendation appeared to be good business judgment and that he supported it.

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. Andrews -- to approve the management staff's recommendation contained in Staff Summary #SP-043, dated July 24, 1995.

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

Requests for Proposals:

Mr. Tiberio asked for the Members' approval to issue a request for proposals for a contract to develop, install and implement a Maintenance Management Information System that would include not only all of the Authority's vessels and buses, but all other equipment which the Authority owns and has to maintain.

Mr. Tiberio said that it would take the Authority six to eight months to get the system up to speed, but that the Authority would then have a system which would be able to inform the Authority of the maintenance status of all of its items of equipment and determine their future maintenance requirements based upon the manufacturers' recommendations. As a result, Mr. Tiberio stated, the Authority would be able to forecast and budget more accurately what the Authority's entire maintenance needs will be and conduct trend analyses to ascertain failure rates of particular equipment items.

Mr. Tiberio stated that the Authority did not yet have a budget for the project and that, although he expected the cost to fall somewhere between \$100,000 and \$200,000, he would not be able to accurately predict the amount until after the proposals are received in September. Mr. Tiberio said that the staff hopefully would be able to come back to the Members in October with a recommendation as to which firm to select and the fees associated with the project. However, Mr. Tiberio assured the Members that a good portion of the cost would be start-up costs which would not be repeated. In particular, Mr. Tiberio said that the Authority would not have to hire additional personnel to maintain the system and, although it will be a mammoth job to input all of the historical data into the system, the firm which is awarded the contract will be required to do that work itself based upon information provided by Authority personnel.

In response to questions from the Members, Mr. Tiberio confirmed that the system would be able to be operated on personal computers, that inventory would be integrated into the system so that automatic reorder points would be established, and that the system will show how much time the Authority's maintenance equipment is used. Mr. Tiberio also said that the system would eventually assist the Authority in making decisions as to whether the Authority should perform certain construction work itself or should instead contract it out.

Mr. O'Brien expressed his opinion that it was critical to contract with a financially stable company which is not going to disappear after the project is completed.

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. O'Brien -- to authorize the issuance of a Request for Proposals for a Contract for a Maintenance Management Information System, Contract No. 23-95, in the form attached to Staff Summary #L-221, dated July 21, 1995.

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

Treasurer's Report:

Mr. Lamson reported that the Authority's net operating loss for the first six months of 1995 was approximately \$274,000 lower than the loss that was projected in the 1995 operating budget. Mr. Lamson said that as of June 30, 1995 operating revenues were up 10.4% versus the original budget estimates, but that the additional revenues had been almost entirely offset by higher than expected operating expenses. In particular, Mr. Lamson noted that maintenance expenses had been \$765,000 more than the Authority's original budget estimates, primarily due to higher than anticipated payroll costs and certain unbudgeted dock and dolphin repairs, and that the Authority had seen an increase in the amount of claims paid from its self-funded health plan. Ultimately, Mr. Lamson reported, the staff was projecting a net operating income for the year of \$1,756,000.

1995 Late Fall Operating Schedules:

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. Andrews -- to approve the Authority's 1995 Late Fall Operating Schedules, effective November 2, 1995 through January 3, 1996, as set forth in Staff Summary #CS-015, dated June 8, 1995.

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

Mr. Tiberio stated that the staff would bring to the Members in September or October the full operating schedule for the 1996 calendar year, commencing on January 4, 1996.

Emergency Transportation Policy:

Mr. Tiberio then requested that the Members adopt an Emergency Transportation Policy in the form attached to Staff Summary #L-219, dated July 20, 1995. Mr. Tiberio stated that, as a result of discussions with members of the public and medical communities, the previous draft of the policy had been changed to clarify certain issues and provide greater assistance and information. He also said that, in his opinion, the proposed policy presented a workable solution to the concerns that had been raised by the president of Cape Cod Ambulance Service regarding that company's need for immediate access to the Authority's vessels. Mr. Tiberio emphasized that the policy would require an ambulance company or hospital to communicate with the Authority

regarding its need for preferential boarding so that, among other things, the vessel's master would be aware of the patient's condition. Nevertheless, Mr. Tiberio assured the Members that, under the provisions of the proposed policy, ambulances would be allowed to board the vessel immediately in emergency situations.

Mr. Grossman noted that the policy had been developed to address problems which had arisen on the Martha's Vineyard run and that it should not change the excellent manner by which Authority personnel had been dealing with emergency situations on the Nantucket run. In this regard, Mr. Tiberio confirmed that the members of the public and medical communities who assisted the Authority in drafting the policy were all Martha's Vineyard residents.

Mr. O'Brien expressed his concern about the problem voiced by the President of Cape Cod Ambulance Service, namely, that the proposed policy seemed to require the ambulance company and Authority personnel to prioritize a patient's medical needs in an effort to determine whether or not there really exists an emergency situation. However, both Mr. Tiberio and Mr. Sayers assured Mr. O'Brien that, under the proposed policy, Authority personnel would not question the judgment of either an ambulance company or a hospital that a particular patient needed immediate transportation on board an Authority vessel. Messrs. Tiberio and Sayers noted that the proposed policy would only require the ambulance company or hospital to contact the Authority as soon as possible after being apprised of the emergency situation and that, unless the ambulance company or hospital agreed otherwise, the ambulance would be boarded immediately. Mr. Tiberio further emphasized that there were many good reasons for requiring such a flow of communication to take place, including the fact that it is imperative for the vessel's Master to be informed about the medical condition of any passenger for whom he or she is responsible. Mr. Tiberio stated that the staff would contact the President of Cape Cod Ambulance Service directly to make certain that there were no misunderstandings about how the policy was supposed to be interpreted.

Expressing his support for the proposed policy, Mr. Rappaport nevertheless said that he continued to receive a tremendous number of telephone calls regarding the need of island residents to travel on the Authority's vessels for their day-to-day medical concerns. Therefore, he encouraged the staff to continue their efforts in developing a second policy to address those situations as well.

IT WAS VOTED -- upon Mr. Andrews' motion, seconded by Mr. Grossman -- to approve an Emergency Transportation Policy in the form attached to Staff Summary #L-219, dated July 20, 1995.

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

Driverless Vehicles:

Mr. Tiberio reported that the staff was still conducting its review of the Authority's practice of providing employees to drive customers' vehicles on and off its vessels. Mr. Tiberio said that the staff had held several productive meetings with representatives of trucking companies and that everyone appeared willing to arrive at a mutually satisfactory solution for the problematic situation. Mr. Tiberio also stated that three objectives had been identified: First, to make certain that whatever service which ultimately may be offered by the Authority does not in any way disrupt or interfere with the Authority's normal, day-to-day operations; second, to make certain that the Authority continues to be fully protected against any exposure to liability that may arise as a result of providing the service; and, third, to make certain that the full cost of providing the service is borne by the patrons who use it. Mr. Tiberio said that the staff hoped to be able to arrive at a final recommendation on this issue so that it could be considered by the Members at their September 1995 meeting.

Traffic Forecasting Model:

Mr. Tiberio then reported that the staff was preparing a request for proposals to secure professional services to develop and maintain a statistical model for forecasting future traffic volumes. Mr. Tiberio noted that at that time the Authority did not possess any systematic analytical tool to project or forecast future traffic growth, and that he felt it was important to have a more sophisticated and accurate management forecasting tool than simply looking at historical trends. Mr. Tiberio said that the finished product would be able to forecast levels by specific months or even particular weekends, would be able to engage in long-term forecasting for up to four to six years in the future, and would be able to make distinctions in traffic growth between the two routes, among particular fares, and among passengers, automobiles and trucks.

Mr. Rappaport declared that the project was an outstanding idea that was long overdue. Accordingly, he recommended that the staff go forward with the request for proposals. However, he asked Mr. Tiberio to consult with the various mainland and island planning agencies to determine whether there was information that they would like to have tied into the model.

Mr. Grossman similarly expressed his opinion that the effort to develop a traffic forecasting model was commendable, saying that few people realized how the islands were growing, especially in the off-season, and that something had to be done to determine why that pattern had changed so much. Mr. Kelleher also stated that he was in favor of the project, although he requested that the finished product consider not only the capacity of the islands to absorb future traffic growth, but the capacity of the mainland ports as well.

License Request from New England Steamship Foundation:

Mr. Sayers reported that the Authority had received an application from the New England Steamship Foundation for an amendment to its current license, by which it will be allowed to operate the Steamship NOBSKA between New Bedford and Nantucket during summer seasons beginning in 1997, to include a stop at Martha's Vineyard. Mr. Sayers noted that, under the Authority's licensing policy, the Authority normally would be required to hold a hearing on the application in each of the three ports to be served by the NOBSKA, but he asked the Members whether they would be willing to allow an exception to the policy in this instance so that the Authority could hold only one hearing on the application on Martha's Vineyard.

IT WAS VOTED -- upon management's recommendation -- to allow an exception to the Authority's licensing policy so that the Authority's staff need conduct only one hearing on the New England Steamship Foundation's application for an amendment to its current license, by which it is allowed to operate the Steamship NOBSKA between New Bedford and Nantucket during summer seasons beginning in 1997, which hearing shall be on Martha's Vineyard in September 1995.

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

Vineyard Haven Terminal Reconstruction Project:

With respect to the Vineyard Haven Terminal Reconstruction Project, Mr. Tiberio reported that the Authority's architect had certified that the contractor, J. K. Scanlan Company, Inc., had completed all of its contract work by June 30, 1995 and therefore was qualified to receive its early completion bonus in the amount of \$40,000. However, Mr. Rappaport questioned that certification based upon the landscape architect's rejection of some of the plantings as inadequate. Mr. Rappaport declared that he wanted the landscaping completed as specified, and he did not want the Authority simply to receive a credit against the contract price for inadequate or dead plants or to pay the early completion bonus when the work had in fact not been completed.

In response, Mr. Tiberio assured Mr. Rappaport that the contractor had committed itself to completing the landscaping, but that it was more appropriate to replace the dead trees in September rather than July. Accordingly, Mr. Tiberio said, the Authority was faced with a timing issue and not a situation where the contractor was unwilling to complete the contract work as specified.

License Request from Falmouth Ferry Service:

Mr. Sayers then reported that the Authority had received an application from Cape & Islands Transport, Inc. ("CIT"), doing business as Falmouth Ferry Service, for an increase in the capacity of its vessel by which it was providing ferry service between Falmouth Inner Harbor and Edgartown from 40 passengers to its Coast Guard approved capacity of 103 passengers. Mr. Sayers said that the staff had held hearings in both Edgartown and Falmouth and that there appeared to be a strong desire on the part of many Edgartown businesses and summer residents for at least a limited ferry service between Edgartown and the mainland. However, Mr. Sayers stated, the staff was still in the process of conducting its analysis as to whether, in the staff's opinion, the increased capacity was required by public convenience and necessity, and whether CIT had the fitness and ability to provide the service.

In this regard, Mr. Sayers said that the staff still had been unable to answer several issues to its satisfaction, including the extent to which the increased service would increase the market of ferry passengers or would rather simply siphon off passengers from the Authority and the ISLAND QUEEN, and how best to protect the Authority and the ISLAND QUEEN from the adverse financial impact that would result from an increase in the vessel's capacity. Mr. Sayers declared that these issues were

important in this case because of the close proximity of CIT's operations to the ISLAND QUEEN and their use of the same harbor on the mainland.

Mr. Sayers said that CIT's close proximity to the ISLAND QUEEN also raised the other important issue of how an increase in the vessel's capacity would impact the surrounding community in terms of traffic congestion, parking and potential neighborhood conflicts. Nevertheless, Mr. Sayers stated, while the staff was still analyzing those and other issues, it felt that it would be appropriate for the Authority to grant CIT a temporary increase in its capacity to 60 passengers, provided that appropriate safeguards, such as those described in the staff's recommendation in Staff Summary #L-222, dated July 21, 1995, were imposed to address at least some of the specific concerns that had been raised during the process.

In response to a question from Mr. Rappaport, Mr. Sayers confirmed that he had received a letter from John P. Taylor, Chairman of the Town of Falmouth Zoning Board of Appeals, advising the Authority that, at the public hearing before the Board which formed the basis for CIT receiving a special permit for 188 parking spaces at its Falmouth location, the testimony was that there was already a need for the 188 parking spaces to service the marina and ferry at its current level of capacity. Responding to a question from Mr. O'Brien, Mr. Sayers also conceded that there was a risk in granting CIT a temporary increase in capacity in the event the staff's subsequent analysis were to show that it was not required by public convenience and necessity.

Mr. Andrews declared that he was not enthusiastic about granting a temporary increase in capacity, saying that he had received telephone calls from area residents who had mostly negative comments about the parking situation. Similarly, Mr. Kelleher stated that he had a great deal of concern about the request after attending the Falmouth Selectmen's meeting the previous Monday night, at which very strong feelings were expressed about the parking problems in Falmouth. Mr. Kelleher said that it would put the Authority in a very bad light to sanction parking problems in other areas of town, especially at a time when the Authority was attempting to improve its relations with the community.

Mr. Kelleher also noted that a "grandfathered" carrier, the ISLAND QUEEN, already was providing service to Martha's Vineyard from Falmouth Inner Harbor and that CIT had operated at a loss in 1994. Mr. Kelleher expressed his concern about giving even a temporary increase to a business that had not established itself as an ongoing operation. Mr. Kelleher declared that he could see no justification in granting CIT any increase in capacity at least until the staff's full analysis is completed, especially

since his understanding was that the special permit which CIT received from the Falmouth Zoning Board of Appeals was intended only to approve sufficient parking for CIT's current level of operations. Mr. Kelleher also recommended that the Members consider CIT's request only after the Town of Falmouth had approved an increase in the number of CIT's parking spaces.

Vincent Geoffroy, CIT's president, expressed his surprise at the Falmouth Zoning Board of Appeals' letter to the Authority, stating that the number of parking spaces approved by that Board was not based upon the vessel's capacity, but rather on how many spaces the property could accommodate. Mr. Geoffroy also said that he was surprised at the negative comments which Mr. Andrews had received from Falmouth residents. By contrast, Mr. Geoffroy said, everything he had heard about his operation had been positive, and they had never caused any traffic problems on Scranton Avenue.

Mr. Geoffroy also declared that his operation had not even come close to using its approved parking capacity that summer, and that it had opened up only two of the five buildings which it was allowed to use for parking at that location. Although Mr. Geoffroy admitted that his employees at one point had queued cars on property he owned across Scranton Avenue, he stated that he had stopped that practice after someone had objected to it.

In response to a question from Mr. Rappaport, Mr. Geoffroy confirmed that, when CIT went before the Falmouth Zoning Board of Appeals to obtain its special permit, it had represented to the Board that although its ferry had a Coast Guard approved capacity of 103 passengers it could only carry 40 passengers between Falmouth and Martha's Vineyard under the Authority's rules. But Mr. Geoffroy repeated that there was no correlation between the 40-passenger level of service and the 188 parking spaces approved by the Board. In response to another question from Mr. Rappaport, Mr. Geoffroy conceded that he did not have any letters from any public officials in Falmouth supporting an increase in the capacity of his vessel. Mr. Geoffroy also stated that he could not really say whether or not the Falmouth Selectmen were in favor of his request.

Mr. Rappaport announced that he had received a copy of a letter to Mr. Tiberio from the Special Task Force on Transportation of the Martha's Vineyard Commission, dated July 26, 1995, in which the Task Force had recommended that the Authority maintain the current capacity of 40 passengers for trips from Falmouth to Edgartown, but allow the vessel to carry 60 passengers on return trips to Falmouth. Also noting the concerns about traffic that had been raised by Messrs. Andrews and Kelleher, Mr. Rappaport declared that he had difficulty supporting an increase in capacity for trips originating from Falmouth in the absence of

any formal position being taken by any Falmouth public official endorsing CIT's request. Accordingly, Mr. Rappaport said that he felt he needed the benefit of the staff's complete analysis before he could support any increase in traffic from Falmouth.

Nevertheless, Mr. Rappaport acknowledged that he had attended the hearing on CIT's application in Edgartown and that no one had expressed any unfavorable comments about the service. To the contrary, Mr. Rappaport said, the testimony from all three Edgartown Selectmen was that the ferry operation was a valuable service and one that had been provided well and competently by Mr. Geoffroy's organization. Therefore, Mr. Rappaport stated that he would be prepared to support a temporary increase in capacity of up to 60 passengers on the vessel's return trips to Falmouth.

However, Mr. Kelleher pointed out that CIT's passengers who were unable to take that ferry service back to Falmouth had other transportation alternatives available to them. Therefore, the increase in capacity on return trips was not really needed to prevent passengers from being stranded on the dock. Mr. Murphy also expressed his general concern about all of the licenses being granted by the Authority, since every license represented a reduction of the number of revenue producing passengers carried by the Authority. Noting that CIT had entered the market knowing that it could not carry more than 40 passengers to and from the islands without a license from the Authority, Mr. Murphy declared that he could not support any increase in any vessel's capacity as long as the Authority itself had excess passenger capacity.

Mr. Grossman then moved to give CIT permission to carry up to 50 passengers on any trips after 3:00 p.m. returning from Edgartown to Falmouth, and that the Authority take no further action until such time as the Members have heard either affirmatively or negatively from the Town of Falmouth. The motion was seconded by Mr. O'Brien. But Mr. Andrews declared that he was very concerned about even a temporary increase in the vessel's capacity, and that after the Selectmen's meeting on Monday night he could not support the motion at all. Mr. Kelleher joined in Mr. Andrews' comments, stating that although he initially supported an increase in capacity to 50 passengers on return trips from Edgartown as an accommodation to Mr. Geoffroy, he agreed with Mr. Andrews' position that it would not be right to support Mr. Grossman's motion.

At that time, Mr. Geoffroy withdrew his request for an increase in capacity, stating that he desired to work in cooperation with the Authority and did not want to strain the relationship among the Members. In lieu of his request, Mr. Geoffroy said, he would like to deal back and forth on specific documented issues.

Finally, Mr. Kelleher recommended to the Members that the Authority change one of its current positions so that, instead of establishing its license fees to be ten percent of the fare charged by the Authority, the fees should be ten percent of the fares charged by each particular applicant.

Old and New Business:

Referring to a letter that Mr. Lamson had sent to the Falmouth Zoning Board of Appeals on June 27, 1994 regarding the potentially dangerous traffic situation that could develop at the Authority's Woods Hole terminal if a McDonald's restaurant were located on Railroad Avenue, Mr. Andrews stated that he would like the Authority, by becoming a party to a lawsuit if necessary, to oppose the idea of a McDonald's restaurant becoming part of Woods Hole. Mr. Rappaport joined in that statement, noting that the Board's decision had been appealed by a number of parties who are concerned about traffic in Woods Hole. Mr. Rappaport said that at the time the Authority took a formal position before the Board and he thought the Authority should assist its neighbors in Woods Hole in their efforts to prevent the operation of a McDonald's restaurant in that vicinity.

Mr. Beach objected to the prospect of the Authority expending public funds to enter into unnecessary litigation, saying that he thought Mr. Lamson's June 27, 1994 letter had been sufficient involvement in the matter. But Mr. Andrews disagreed, declaring that having a McDonald's restaurant within twenty feet of the Authority's property would create a much greater conflict between pedestrians and vehicles than that which then existed.

IT WAS VOTED -- upon Mr. Andrews' motion -- to have counsel investigate the matter and report back to the Members at the Authority's August 17, 1995 meeting on how best the Authority can be helpful to the parties opposing the operation of a McDonald's restaurant in Woods Hole.

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

After public comment, Mr. Rappaport noted that in all likelihood this was the last meeting that Mr. Andrews would be present as the Falmouth Member. Recounting how Mr. Andrews had been a member of the Finance Advisory Board for ten years and a governing Member for one and one-half years, Mr. Rappaport

July 27, 1995 Meeting
Minutes of the Public Session

expressed, on his own behalf and on behalf of the Authority, his appreciation for Mr. Andrews' many years of service. Mr. Rappaport declared that Mr. Andrews had been an outstanding Member, and had represented both the interests of the Town of Falmouth and the interests of the Authority well. Mr. Rappaport noted that they had made some difficult decisions together, but that they had made a lot of progress and he was proud of the many things on which they had voted and worked, in particular having Mr. Tiberio as the Authority's General Manager. Mr. Rappaport expressed his belief that the Authority's organization was a lot stronger for Mr. Andrews' many years of service.

IT WAS THEN VOTED -- on Mr. Andrews' motion, seconded by Mr. Grossman -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase and value of real estate, the installation of security devices, and personnel matters.

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

Before the Members voted to go into executive session at approximately 12:10 p.m., Mr. Rappaport stated that, after the conclusion of the executive session, the Members would not reconvene in public.

A TRUE RECORD


BERNARD D. GROSSMAN, Secretary

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

The Meeting in Public Session

August 17, 1995

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of August, 1995, beginning at 9:08 a.m., in the Main Hearing Room of the Barnstable Town Hall, 367 Main Street, Hyannis, Massachusetts.

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

Also present were both members of the Authority's Finance Advisory Board: Robert C. Murphy of Dukes County; and Norman F. Beach of Nantucket.

The following members of the Authority's management staff were also present: General Manager Armand L. Tiberio; Treasurer/Comptroller Wayne C. Lamson; General Counsel Steven M. Sayers; and Executive Secretary to the General Manager Maxine Horn.

Mr. Rappaport began the meeting by welcoming Mr. Kelleher as the Town of Falmouth's new Authority Member. Mr. Rappaport stated that he felt the Falmouth Selectmen had made an excellent choice in selecting Mr. Kelleher, who had demonstrated his knowledge of the Authority's financial operations as a Member of the Finance Advisory Board for the last one and one-half years.

Minutes:

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on July 27, 1995.

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

August 17, 1995 Meeting
Minutes of the Public Session

Mr. O'Brien reminded Mr. Sayers that he had asked for a letter to be directed to Cape Cod Ambulance regarding the Authority's Emergency Transportation Policy. In response, Mr. Sayers said that such a letter would be sent later that day.

Berthing Request from Bay State Cruise Company:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Grossman -- to authorize the General Manager to execute the Authority's standard Dockage Agreement with Bay State Cruise Company ("Bay State") to accommodate Bay State's berthing requests, as set forth in Staff Summary #GM-340, dated August 11, 1995, upon payment by Bay State of a fee in the amount of \$750.

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

License Request from New England Steamship Foundation:

Mr. Tiberio reported that the staff had scheduled a hearing for 4:00 p.m. on September 12, 1995 at the Tisbury Senior Center on The New England Steamship Foundation's application for an amendment to its current license, by which it will be allowed to operate the Steamship NOBSKA between New Bedford and Nantucket during summer seasons beginning in 1997, to include a stop at Martha's Vineyard.

Mr. Beach then conveyed the opinion of the Authority's Nantucket Terminal Manager that there was no way the NOBSKA could be accommodated at the Authority's Nantucket facilities on a daily basis, and said that the Authority should insist on having The New England Steamship Foundation find some other dockage arrangement. Mr. Beach also stated that the staff should consider the fact that the operation of the NOBSKA would bring more tourists to Martha's Vineyard and Nantucket, which was something island residents may not necessarily want.

Automated Attendant and Voicemail Telephone System:

Mr. Tiberio then requested authorization from the Members to upgrade the existing Woods Hole telephone system to include an automated attendant feature and a voicemail system. In this regard, Mr. Rappaport declared that the Authority's receptionist

was excellent, but from personal experience he felt that such an upgrade was absolutely necessary because she just could not keep up with the number of incoming telephone calls.

However, Mr. Kelleher expressed his concern that an automated attendant system would have too many options and that, as a result, it would take too long for a caller to reach a live attendant. Therefore, while Mr. Kelleher agreed that the Authority needed to upgrade the switchboard in some way, he stated that he was against the installation of any automated attendant feature. In an attempt to address Mr. Kelleher's concerns, Mr. Rappaport suggested that the Members' directive to management should be to make the system as simple as possible with as few options as possible, and that the purpose of the upgrade should be simply to provide relief for the Authority's receptionist as well as the people who call the Authority's offices.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Grossman -- to authorize the management staff to upgrade the existing Woods Hole telephone system to include an automated attendant function and a voice mail system, as set forth in Staff Summary #MIS-21, dated August 10, 1995.

VOTING AYE: Messrs. Rappaport and Grossman
VOTING NAY: Mr. Kelleher

Falmouth Traffic Survey:

Mr. Tiberio advised the Members that the management staff had commenced a traffic survey in an effort to obtain some updated information to augment another survey that had been conducted several years ago. Mr. Tiberio said that the survey had been taken on August 4, 5, 11 and 12, 1995, and that the principal audience had been passengers who had parked their vehicles in the Authority's Falmouth parking lots and had taken shuttle buses to Woods Hole. Mr. Tiberio stated that the staff would be analyzing the data over the next week or so and would then make the information publicly available.

Policies and Procedures Manual:

Mr. Tiberio stated that the management staff's proposed Policies and Procedures Manual, which will be applicable to all of the Authority's employees, had been in the process of being

revised for more than a year. Accordingly, Mr. Tiberio said that the staff intended to implement the manual unless the Members had major concerns, questions or objections.

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the project was proceeding according to schedule and that it had not run into any major problems. In response to a question from Mr. Grossman, Mr. Tiberio said that the marine and site work contract had been forwarded to the Massachusetts Highway Department's awarding committee and that the Authority was simply awaiting the final word regarding its award to AGM Marine Contractors.

Disposition of Hyannis Truck Scale:

Mr. Tiberio requested the Members to declare the Hyannis truck scale surplus property and to authorize the management staff to donate it to the Town of Nantucket, provided the Town removes the scale at its own expense. Mr. Tiberio said that, after determining that the scale was no longer needed due to the recent changes made in the Authority's freight tariffs, the staff attempted to sell it, but no buyer had been found. Mr. Tiberio stated that the staff had concluded that the Authority will not be able to receive any money for the scale, since the cost of removing it substantially equals its value. Mr. Tiberio also said that the Town of Nantucket had recently expressed interest in obtaining the scale, and would be advising the Authority shortly of its final decision.

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. Kelleher -- to declare the Hyannis truck scale surplus property and to donate it to the Town of Nantucket, provided the Town removes the scale at its own expense within a reasonable period of time.

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

Hinckley Parking Lot Improvements:

Mr. Tiberio reported to the Members that the management staff would soon be reviewing the site plan for the "Hinckley"

parking lot with the Town of Barnstable on an informal basis. In this regard, Mr. Tiberio said that, in lieu of constructing new restrooms and a passenger waiting facility, the staff was looking into the possibility of relocating to that site the traffic control building which is currently located at the Hyannis terminal. Mr. Tiberio said that the building also could be used in the future to accommodate some sales of passenger tickets.

Upon Mr. Grossman's suggestion, with which Mr. O'Brien agreed, the Members deferred taking any action concerning this subject until the staff advised them of more concrete plans, in light of Mr. Tiberio's opinion that no firm decisions would have to be made until February 1996.

Island Commuter Corp. License and Dockage Agreement:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Grossman -- to authorize the General Manager to execute a License and Dockage Agreement, in the form attached to Staff Summary #L-224, dated August 8, 1995, with Island Commuter Corp. and to take all necessary and appropriate actions to fulfill the Authority's obligations under that Agreement.

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

Mr. Rappaport noted that the purpose for the license was to allow the M/V Island Queen to transport participants in the Woods Hole Golf Club outing from Falmouth to Martha's Vineyard and Nantucket on October 16 and 17, 1995. Advising the Members that he was a member of the Woods Hole Golf Club, Mr. Kelleher expressly declined to participate in this matter.

1996 Operating Budget:

Mr. Lamson reported that the management staff was beginning to prepare the Authority's 1996 operating budget and, in connection with that process, was proposing six general guidelines:

1. That the Authority use actual traffic statistics for the most recent 12-month period to project 1996 operating revenues;
2. That, in addition to assuming no traffic increases, the Authority increase fares only as a last resort in the

event additional revenues are needed to cover next year's projected cost of service.

3. That, with respect to service levels, the Authority maintain essentially the same operating schedules as in 1995, except for two major changes:
 - (a) to add a second large vessel on the Martha's Vineyard run during the winter schedule, which is early January through mid-March (the additional cost of which to be partially offset by reducing the Vineyard freight boat schedule during that same period); and
 - (b) to extend the summer schedule for both islands through the Columbus Day Weekend;
4. That the Authority provide the necessary resources to make certain that all of the Authority's vessels, terminals, vehicles and equipment are properly maintained;
5. That, with respect to staffing schedules, the department heads be directed to re-evaluate the present levels in their respective areas for possible cost saving opportunities, without any increases in 1995 levels; and
6. That the Authority project sufficient cash flow to meet at a minimum the scheduled bond interest and principal payments that are due on September 1, 1996 and March 1, 1997.

In response to a question from Mr. Grossman, Mr. Lamson stated that the staff had scheduled the vessels' annual overhauls around the proposed operating schedules and felt confident that the Authority will be able to maintain all seven vessels in the off-season. In addition, Mr. Rappaport agreed with the staff's opinion that the Authority needed to increase its service to Martha's Vineyard by adding a second large passenger vessel on that run during the winter schedule.

Mr. Rappaport declared that he thought it was significant that the staff was projecting no traffic increase in 1996 over that which was provided by 1995 service levels. Mr. Grossman agreed, and asked the staff not to plan any further increases in vehicle capacity for the Nantucket run, stating that Nantucket residents would be very grateful if the Authority would not carry any more cars to the island.

Noting that the Authority runs at a deficit during the off-season, Mr. Kelleher expressed his concern about the increased costs that will be incurred by operating a second large passenger vessel on the Martha's Vineyard run during the winter schedule. Therefore, he requested that the additional service be provided on a one-year trial basis only, after which its costs can be evaluated to make certain that it does not require a rate increase. In this regard, Mr. Tiberio advised the Members that the vessels on the Martha's Vineyard operated at 100% capacity this past winter, indicating that a second large vessel is needed on that run.

Mr. Tiberio then advised the Members that the staff's intent was to prepare an operating budget for 1996 based upon a level of revenues which will not exceed those received by the Authority in 1995. Mr. Tiberio said that, as a result, certain priority decisions will obviously have to be made, such as the two major service level changes proposed by the staff, but the budget's overall increase in costs will not exceed the level of revenues generated during 1995. In addition, Mr. Tiberio stated, the budget will not take into consideration any additional revenues which might be generated as a result of the two major service level changes. In response to a question from Mr. Rappaport, Mr. Tiberio confirmed that, since the staff would be preparing an operating budget based upon 1995 fares and revenues, there will be no fare increases projected for 1996.

Mr. O'Brien then expressed his concern over the staff's proposed extension of the summer schedule through Columbus Day, noting that it would result in three more daily round trips by a large passenger vessel between Hyannis and Nantucket for 25 additional days. Although Mr. Lamson stated that the freight boat which is currently providing service to Nantucket during that period would be operating on a reduced schedule, Mr. O'Brien said that he thought the staff's proposal was contrary to statements which had been made to the Barnstable Town Council to the effect that the Authority would not need to increase service to Nantucket. Therefore, Mr. O'Brien felt that the increased service would be a departure from the intent of the Authority's agreement with the Town of Barnstable, although he acknowledged that it would not be in violation of any of its provisions. To alleviate Mr. O'Brien's concerns, Mr. Grossman suggested that the staff discuss what he considered to be a proposed minor change to the Nantucket summer schedule with the Barnstable Town Manager.

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. O'Brien -- to approve the six proposed guidelines for the 1996 operating budget set forth in Staff Summary #A-332, dated August 10, 1995, as revised by Mr. Lamson's memorandum to the Members dated August 16,

1995, except for guideline 3(B) as it pertains to extending the Nantucket summer schedule through the Columbus Day Weekend.

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

Later in the meeting, Mr. Lamson clarified his earlier statements by advising the Members that extending the 1996 Nantucket summer schedule through Columbus Day should not result in any additional trips departing from Hyannis. Mr. Lamson said that after the end of the summer schedule on September 20th this year the Authority would be running six trips out of Hyannis with the M/V Eagle and the M/V Sankaty (after October 1st, the M/V Sankaty's third trip would run at the discretion of the terminal managers), while next year the staff was proposing running six trips during that same time period with the M/V Eagle and the M/V Nantucket; another freight boat would provide service for Nantucket from Woods Hole by operating one round trip per day, Mondays through Fridays. Therefore, Mr. Lamson said, through the end of September, at least, the Authority would not be running any additional trips out of Hyannis in 1996; rather, it would be substituting a larger vessel in place of the M/V Sankaty.

Treasurer's Report:

Mr. Lamson advised the Members that the staff would like to move forward with the bond financing for the Hyannis Terminal Reconstruction Project as soon as the marine and site work contract was awarded by the Massachusetts Highway Department. In this regard, Mr. Lamson said that the staff was proposing a \$9,000,000 bond issue, comprised of \$4,400,000 to pay off the outstanding bond anticipation notes and \$4,600,000 in new money for the project itself and to cover the costs of the bond issue. Mr. Lamson stated that, assuming that the marine and site work contract will be awarded, he would like to proceed with the mailing of a preliminary official statement prior to the adoption by the Members of a supplemental bond resolution at next month's meeting. Mr. Lamson also said that the proposed sale date was currently October 3, 1995 on a competitive bid basis, and that he would like to proceed on that basis unless the Members had a problem with the tentative schedule. Mr. Lamson also advised the Members that he would be asking for authorization at their next meeting to award the bonds to the lowest bidder rather than trying to tie the award to a particular meeting date.

Finally, Mr. Lamson reported that, although the books had not yet been closed, it appeared that the Authority's net operating income for the month of July 1995 was going to come in just about as expected and that, if so, the Authority's net operating loss for the first seven months of 1995 would be around \$300,000 to \$350,000 lower than the original projection in the Authority's 1995 operating budget.

Procurements:

Mr. Tiberio then requested the Members to award the contract for the construction of the Nantucket Passenger Waiting Pavilion to J. K. Scanlan Co., Inc. in the amount of \$120,000. In this regard, Mr. Tiberio advised the Members that in early 1994 the structure had been estimated to cost somewhere between \$45,000 and \$50,000, but had since been modified. Further, Mr. Tiberio said that the Authority had received only one bid for the contract and, after consulting with the architect, there was no indication that any lower bids would be submitted if the Authority went through the bidding process again. Therefore, Mr. Tiberio stated that the staff was recommending that the Members award the contract and that the Authority complete the project as set forth in the current plans and specifications.

Mr. Grossman noted that at least a portion of the increase in the project's cost was attributable to the significant rise in timber prices that had taken place over the last several months. Nevertheless, while not questioning the necessity of the project, Mr. Rappaport declared that he was concerned that the cost of the project had come in around 2-1/2 times the amount that the Authority had budgeted for it, and that he was particularly disturbed by the fact that the Members had not been previously advised of the cost increase. Mr. Rappaport said he felt the staff should express to the architect the Authority's displeasure over this situation and that it should be avoided in the future.

IT WAS VOTED -- upon Mr. Grossman's motion, seconded by Mr. Kelleher -- to award Contract No. 21-95 to Construct a Passenger Waiting Pavilion at the Nantucket Terminal to the lowest responsible and eligible bidder for the contract, J. K. Scanlan Company, Inc., of West Bridgewater, Massachusetts, in the amount of \$120,000.

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

Old and New Business:

IT WAS THEN VOTED -- on Mr. Grossman's motion, seconded by Mr. O'Brien -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase and value of real estate, and personnel matters.

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

Before the Members voted to go into executive session at approximately 10:25 a.m., Mr. Rappaport stated that, after the conclusion of the executive session, the Members would reconvene in public.

At approximately 11:35 a.m., the Members reconvened their meeting in public session, at which time Mr. Rappaport advised the audience of the Resolution regarding the proposed McDonald's Restaurant in Woods Hole which had been adopted by the Members in executive session. Mr. Rappaport also stated that the public would be able to receive copies of the Resolution from Mr. Sayers later that afternoon.

A TRUE RECORD


BERNARD D. GROSSMAN, Secretary