

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

The Meeting in Public Session

January 18, 1996

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of January, 1996, beginning at 9:30 a.m., in the conference room of the Authority's General Offices, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were three of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Secretary Ronald H. Rappaport of Dukes County; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were two members of the Authority's Finance Advisory Board: Robert C. Murphy of Dukes County; and S. Eric Asendorf 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; Maintenance and Construction Manager James P. Swindler; and Executive Secretary to the General Manager Maxine Horn.

Mr. Kelleher opened the meeting by publicly recognizing the excellent and professional manner in which Mr. Rappaport had served as the Authority's Chairman during the previous year. Noting that 1995 had been a tumultuous one during which the Members had been required to make major decisions regarding the Authority's direction and operations, Mr. Kelleher declared that Mr. Rappaport had done an excellent job in developing a consensus among the Members with respect to all of those important matters.

Minutes:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on December 21, 1995.

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

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the Authority still was adhering to the project's construction schedule and that the terminal building would be completed sometime in March 1996. Mr. Tiberio also said that, while there had been a number of minor change orders, none of them had resulted in any significant increase in costs. At Mr. O'Brien's suggestion, Mr. Sayers said that he would review those change orders to determine whether the Authority possessed any potential claims against the architect for errors or omissions.

Mr. Tiberio also advised the Members that, due to the ongoing budget negotiations in Washington, D.C., some of the federal funds which had been appropriated for the Hyannis Harbor Channel Dredging Project were not currently available. However, Mr. Tiberio said that he did not feel that there was yet a danger of losing those funds and that the staff had scheduled a meeting with a number of agencies, including U.S. Representative Gerry Studds' office, to develop a game plan to move forward with the project.

Finally, Mr. Tiberio reported that the staff had submitted the drawings for the Lewis Bay Road parking lot improvements to the Town of Barnstable for its site plan review, and that the drawings for the Hinckley parking lot improvements similarly would be submitted in the near future. Mr. Tiberio said that the staff hoped to have both projects completed and the parking lots operational sometime between mid-April and the Memorial Day Weekend.

Maintenance Management Information System:

With respect to the proposed Maintenance Management Information System ("MMIS"), Mr. Tiberio reported that the staff was asking for authorization from the Members to begin negotiating a contract with their first-ranked finalist for the project, Building Technology Engineers, Inc. In this regard, Mr. Tiberio recounted how the staff had issued a request for proposals to implement an MMIS for the Authority's vessels, terminals and all of its other assets and equipment and that, after evaluating the proposals received, had given serious consideration to two firms.

Mr. Tiberio also stated that the firms' fee proposals had revealed that the full implementation of an MMIS would cost about \$500,000, which was far more than the \$200,000 which the staff had initially estimated. As a result, Mr. Tiberio said, the staff was narrowing the scope of the MMIS to include only the Authority's vessels, which account for approximately 80% of the Authority's maintenance budget, in order to reduce the cost of the project to around \$300,000.

At Mr. Tiberio's request, Mr. Swindler then addressed the Members about the basic objectives that the Authority was trying to accomplish with an MMIS. First, Mr. Swindler stated, it would bring standardization to the maintenance of all the Authority's equipment. For example, the MMIS would help ensure that equipment located on different vessels will all receive the same level of maintenance regardless of where they are located. Mr. Swindler also stated that the MMIS would give the Authority's Maintenance and Engineering Department the ability to properly plan and schedule its work, to better prepare its budget, to control costs on a project-by-project basis (by giving the Department instant access to the hours and materials purchased for each project), to measure performance on a particular project compared to past performance, and generally to show how the Department can improve and use its resources more efficiently.

Mr. Swindler said that the MMIS's ability to generate standardized work orders would be a key component to its success, since it would also allow the Authority to easily prepare reports analyzing how many work orders are outstanding and how they are being handled. The MMIS would further allow the Authority to monitor all of its inventory wherever it may be stored. Nevertheless, Mr. Swindler noted, the MMIS would not be the answer to all of the Authority's maintenance problems and difficulties; but he felt the staff had definitely identified a need for it and what benefits the program should bring to the Authority.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to authorize the staff to commence negotiations with Building Technology Engineers, Inc. in an attempt to arrive at a satisfactory Maintenance Management Information System Contract (Contract No. 23-95) for subsequent consideration by the Members.

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

Statistical Model for Ferry Traffic Forecasting:

With respect to the Contract for a Statistical Model for Ferry Traffic Forecasting, Mr. Tiberio reported that the evaluations of the proposals that had been submitted for the contract should be completed by the end of that week and that the staff would then open the firms' fee proposals for review by both the staff and the planning agencies of the Authority's port communities. Mr. Tiberio said that the staff would then commence contract negotiations with the first-ranked finalist for ultimate consideration by the Members.

The Members encouraged Mr. Tiberio to move forward with this project, stating that such a forecasting model was essential for the Authority and would benefit all of its port communities.

Distribution of Brochures:

Mr. Tiberio then reported that the staff had reviewed the methods which were being used by the Authority to distribute literature on its vessels and terminals, and had determined that there was a need for a more cohesive approach. Accordingly, Mr. Tiberio said, the staff was recommending that the Authority issue a request for proposals to secure the services of a distributing company to act as a clearinghouse for all brochures and other literature distributed for the public on Authority property. Mr. Tiberio stated that the Authority would receive a fee from the distributing company and that, in turn, the distributing company would be allowed to charge a fee to any business which desired to have its brochures or other literature on Authority property.

Although the staff had not yet prepared such a request for proposals, Mr. Tiberio said that he envisioned that the Authority would first establish standards and criteria regarding what types of literature could be distributed on its property. The company would then be required to supply sufficient quantities of all such literature, to distribute them only in specific areas designated by the Authority, and to make certain that those areas remain neat and clean.

Mr. Murphy encouraged the Members to follow Mr. Tiberio's suggestion, declaring that such an arrangement, with standardized racks and brochures, would improve the appearance of the Authority's terminals. Mr. Murphy also said that he would prefer to have no brochures distributed on the vessels at all. Mr. Rappaport similarly voiced his approval of the suggested approach, although he asked that the Members be provided with the opportunity to review the request for proposals before it is issued.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to authorize the staff to prepare a request for proposal to secure the services of a distributing company to act as a clearinghouse for all brochures and other literature distributed for the public on Authority property.

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

Amendment to U.S. Mail Contract:

Mr. Tiberio then reported that the staff was recommending that the Authority amend its contract with the United States Postal Service so that the Authority's terminal employees no longer had to load, unload and deliver the U.S. Mail to post offices located in the Authority's port communities. Instead, Mr. Tiberio said, the staff's proposed amendment to the U.S. Mail Contract would only require the Authority to provide vehicle spaces on designated trips of its vessels for Postal Service contractors carrying the mail.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the amendment to the Authority's current contract with the U.S. Postal Service in the form attached to Staff Summary #A-341, dated January 12, 1996.

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

Insurance Renewals:

Mr. Lamson then reported that the Authority had received a preliminary indication from Commercial Union Insurance Company, the primary carrier for the Authority's insurance program, that, barring some catastrophe over the next six months, it would be willing to renew the Authority's coverage for the next period beginning on June 30, 1996 without any increase in its current rates. In these circumstances, Mr. Lamson said that Edward M. Taylor, the Authority's insurance advisor, had advised the Authority that there would be no benefit in issuing a request for proposals for its insurance program at this time and that, indeed, such action could prove detrimental to the Authority.

Therefore, Mr. Lamson stated that he was recommending that the Authority negotiate its insurance renewals with the incumbent carrier for the reasons set forth in Mr. Taylor's letter dated January 11, 1996.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Rappaport -- that the Authority negotiate its insurance renewals with its incumbent insurance carrier, Commercial Union Insurance Company, instead of issuing a request for proposals for its insurance program for fiscal 1997.

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

Treasurer's Report:

With respect to the Authority's current financial position, Mr. Lamson reported that the Authority's net operating income for 1995 was expected to come in around \$2,000,000, slightly better than the original budget estimate. Mr. Lamson also stated that the Authority's 1995 operating revenues were approximately \$40.5 million, which was about a three percent increase from 1994. Mr. Lamson said that the staff planned to close the books for 1995 the following week and that the auditors were scheduled to begin the year-end audit on January 29, 1996.

Drydock and Overhaul of the M/V Islander:

Mr. Tiberio asked the Members to award Contract No. 37-95 for the drydocking and overhaul of the M/V Islander to the lowest responsible and eligible bidder for the contract, American Shipyard Corporation, for a Total Base Contract Price of \$156,941. However, Mr. Tiberio advised the Members that the \$156,941 amount represented only a portion of what the total cost of the vessel's overhaul would be. In fact, Mr. Tiberio said, the total amount budgeted for the overhaul was \$450,000, which included, in addition to the Total Base Contract Price, \$100,000 of new equipment and another \$100,000 of steel work once the vessel is taken out of the water.

In response to questions from the Members, Mr. Tiberio stated that all of the proposed work would need to be accomplished, either at this time or in the near future, since the Authority will need to keep the vessel in service for at least

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The Meeting in Public Session

February 7, 1996

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 7th day of February, 1996, beginning at 7:00 p.m., in the Harbor Room of the Quality Inn, located at 141 Jones Road, Falmouth, Massachusetts.

Present were three of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Secretary Ronald H. Rappaport of Dukes County; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present was one member of the Authority's Finance Advisory Board: S. Eric Asendorf 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; and Executive Secretary to the General Manager Maxine Horn.

Mr. Kelleher opened the meeting by introducing the Authority Members and management staff who were present. Mr. Tiberio then gave a presentation on the Authority's development of a traffic management plan for the Authority's operations in Falmouth and Woods Hole, and explained the various components of the plan. He and Mr. Ewell also reviewed the four potential sites that the Authority had identified for a proposed new parking facility.

The Members and Mr. Tiberio then entertained questions and comments from the audience until approximately 9:50 p.m., at which time the meeting was adjourned.

A TRUE RECORD


RONALD H. RAPPAPORT, Secretary

MINUTES
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AND NANTUCKET STEAMSHIP AUTHORITY

The Meeting in Public Session

February 15, 1996

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of February, 1996, beginning at 9:30 a.m., in the conference room of the Authority's General Offices, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were three of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Secretary Ronald H. Rappaport of Dukes County; and Associate Secretary Robert L. O'Brien of Barnstable.

Also present were two 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; Maintenance and Construction Manager James P. Swindler; and Executive Secretary to the General Manager Maxine Horn.

Mr. Kelleher opened the meeting by noting that Nantucket Member Bernard D. Grossman was not present due to illness. On behalf of all of the Members, Mr. Kelleher wished Mr. Grossman a speedy recovery.

Minutes:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meetings in public session on January 18, 1996 and February 7, 1996.

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

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the terminal building was going to be completed around March 1, 1996, approximately three months ahead of schedule, and that the Authority would commence operations from the building around the middle of that month. Mr. Tiberio stated that, while there had been a number of minor change orders, they had only amounted to about three percent of the contract price, which was less than the five percent contingency budgeted by the Authority, so the project continued to remain well within budget. Mr. Tiberio also said that none of those change orders reflected any potential claims by the Authority against the architect for errors or omissions, but that the staff would continue to monitor all future change orders for such possible claims.

With respect to the marine work, Mr. Tiberio noted that some concerns had been raised about the level of noise associated with the pile driving for the new pier, but he stated that the project's schedule called for the completion of the pile driving by the end of May 1996.

Mr. O'Brien reported that, over the past few weeks, he had taken town councilors and other public officials through the terminal and that, at least so far, everyone was pleased with the project.

Statistical Model for Ferry Traffic Forecasting:

With respect to the Contract for a Statistical Model for Ferry Traffic Forecasting, Mr. Tiberio reported that the persons evaluating the proposals, including planners from all four of the Authority's port communities, had unanimously selected KJS Associates, Inc. as their first-ranked finalist for the contract. Accordingly, Mr. Tiberio requested authorization from the Members to commence negotiations with that firm in an attempt to arrive at a satisfactory contract for consideration by the Members at their March 21, 1996 meeting. Mr. Tiberio also noted that KJS Associates, Inc. was the principal architect of an updated statistical model that was then being used by the Washington State Ferries system.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to authorize the staff to commence negotiations with KJS Associates, Inc. in an attempt to arrive at a satisfactory Statistical Model for Ferry

Traffic Forecasting Contract (Contract No. 24-95) for subsequent consideration by the Members.

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

1996 Headstart Reservations Program:

Mr. Tiberio then reported that the Authority's Customer Service Department had processed approximately 13,500 mail-in requests during the 1996 Headstart Program, which he considered to be an overwhelming increase from the 8,000 requests that had been mailed in the previous year. Mr. Tiberio stated that the Authority's Reservations Clerks were attributing the increase both to the elimination of the practice of allowing persons to appear by proxy during the first phase of the Headstart lottery and to the continuing popularity of the islands. As a result, Mr. Tiberio said, not only were all trips already sold out for all the weekends from May through October of that year, but there already were a number of Friday trips sold out as well.

Mr. Rappaport declared that the fact that the most popular summer travel times had again already sold out even before the Authority accepted telephone reservations in February reinforced the need for the Authority to continue to review all aspects of its reservations program, including the possibility of making vehicle reservations non-transferable and placing automobile registration numbers on them.

Nantucket Passenger Waiting Pavilion:

Mr. Tiberio reported that the Nantucket Passenger Waiting Pavilion had been completed at a cost of only a few hundred dollars more than the original contract price of \$120,000. In this regard, Mr. Tiberio noted that the Nantucket Historical Commission had raised some minor issues with respect to the type of railing on the pavilion's handicap ramp, but that all of those matters had been resolved.

Falmouth Parking Issues:

With respect to the public meeting which the Authority had held on February 7, 1996 to discuss Falmouth traffic and parking issues, Mr. Tiberio reported that approximately 250 people had

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attended the meeting and that it had resulted in a very positive exchange of ideas and concerns.

Mr. Rappaport declared that traffic management was an important issue in all of the Authority's port communities and that the Authority had a responsibility to work with all parties concerned in an attempt to reduce traffic congestion. He then stated that the Authority was addressing many aspects of the overall problem by attempting reservations-only sailing periods, establishing satellite ticketing facilities, implementing traffic forecasting models, and working with community groups such as the Woods Hole Civic Association. But Mr. Rappaport said that the lack of adequate parking was also one component of the problem that similarly had to be addressed, and that there was clearly a need for a parking facility which would work operationally, which people would use, and which would keep people out of Falmouth and Woods Hole.

Mr. Rappaport then stated that the Authority had undertaken a process to select a site for its parking facility which he thought was fair, reasonable and appropriate, and recounted how the Authority had developed and issued a request for proposals for sites located outside of residential corridors and north of Thomas B. Landers Road, how in response to that request, the Authority had received approximately 17 proposals and had hired a traffic engineer to analyze each of them, and how the Authority had then solicited additional properties and analyzed those as well.

Ultimately, Mr. Rappaport said, the Authority's staff reduced the number of potential sites which would be suitable for the Authority's needs to four, and the Authority appropriately entered into purchase and sale agreements for three of those properties prior to the public meeting, since not to have done so would have placed the Authority in an untenable negotiating position had the public considered only one of those sites to be an acceptable choice.

Mr. Rappaport declared that, at the public meeting, he saw the people of Falmouth -- including its state representatives, selectmen, planning board members and civic associations -- speaking in unison and in a clear and convincing manner that the Authority should locate its new off-site parking facility at the Massachusetts Military Reservation, which was one of the sites that the Authority's staff felt was acceptable and suitable to the Authority's needs. Accordingly, Mr. Rappaport said, since locating the facility at the Massachusetts Military Reservation would not imperil the Authority's fundamental mission or threaten its financial viability, he felt the Authority should be responsive to that initiative.

Mr. Rappaport also stated that he believed the communities of Martha's Vineyard and Falmouth had common problems and should reach accommodations where those accommodations could be found. In this regard, he thought that locating the parking facility at the Massachusetts Military Reservation was one instance where everyone could work together to solve a common problem. Not only was it the clear choice of the people of Falmouth, but the Authority would also benefit by not having to spend money to acquire private property. As a result, the Authority might be able to provide less expensive parking at the Reservation which would encourage its customers to leave their cars at that location instead of trying to park in Falmouth or bringing their cars to the island.

Representative Eric T. Turkington then informed the Members that he had spoken to the public officials in charge of the Massachusetts Military Reservation and that they were very favorably disposed towards having the Authority's parking lot located there.

Mr. Kelleher declared that the Authority had presented to Falmouth residents the parking solution options that existed to alleviate the traffic problems in Falmouth, and that now the Authority, as well as town and state officials (including Senator Therese Murray), needed to undertake a major effort to remove any and all obstacles for the Military Reservation's use in a timely manner. (Mr. Kelleher also suggested that more customers might use the parking lot if it were located closer to Otis Circle.) Mr. Kelleher cautioned, however, that this would be no small undertaking, since there had yet been no commitment, other than an expression of cooperation, from the officials responsible for that property. Nevertheless, he stated that he looked forward to a strong, concerted and positive effort by all concerned to move forward and arrive at a satisfactory solution, and he thanked Representative Turkington for his willingness to be a participant in this endeavor.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to direct the management staff to:

- 1. Make the development of an off-site parking facility at the Massachusetts Military Reservation the Authority's number one priority;**
- 2. Work together with the Falmouth selectmen and appropriate state legislators (including Representatives Eric Turkington and Thomas Cahir and Senators Henri Rauschenbach and Therese Murray) to determine whether the Massachusetts Military**

Reservation can be secured and developed in a timely manner to meet the Authority's needs;

3. Take all appropriate steps to move forward to secure the Massachusetts Military Reservation as the site of the Authority's new off-site parking facility; and
4. Report back to the Members regarding their progress at the Authority's March 1996 meeting.

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

After the vote was taken, Mr. O'Brien complimented Messrs. Kelleher and Tiberio for the manner in which they had conducted the February 7, 1996 public meeting. Mr. O'Brien also congratulated the people of Falmouth for the manner in which they had conducted themselves and how they had so very well expressed their views and had given the Authority its direction.

Mr. O'Brien further stated that he thought the Authority should look at the possibility of providing some high speed passenger-only service out of New Bedford, particularly if the State were going to fund a terminal there. However, Mr. Rappaport declared, in what he described as "no uncertain terms," that he was unequivocally opposed to that idea. Mr. Kelleher also said that the Authority already had a number of ongoing projects and that he felt the Authority's resources needed to be directed towards its top priority of moving as rapidly as possible to the Massachusetts Military Reservation.

Mr. Tiberio then reported that a Mr. J. Malcolm Donald had asked the Members to consider undertaking an investigation of using the port of New Bedford as an additional terminal. But Mr. Rappaport stated that he had no interest in taking any action on that request at all, noting that the Authority previously had studied the matter at length and that a report had been issued by Holmes & McGrath stating that a New Bedford terminal made no economic sense. Representative Turkington agreed with Mr. Rappaport, stating that there had been a considerable amount of study done on this issue in the past. However, Representative Turkington suggested that there might be some need to disseminate the knowledge that did exist to people like Mr. Donald who obviously were not aware of those prior studies.

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Later in the meeting, Representative Turkington declared that he felt the meeting which the Authority had held on February 9, 1996 had turned the corner in the Authority's relationship with the Falmouth community, as evidenced by the tempered and knowledgeable manner in which the community had expressed its concerns and the same way in which the Authority had responded. Representative Turkington stated that he had discussed this subject with Representative Cahir and that they would do everything they could to make an off-site parking facility at the Military Reservation a reality as soon as possible.

Treasurer's Report:

With respect to the Authority's current financial position, Mr. Lamson reported that the Authority's net operating income for the year 1995 was \$1,758,000, which was within \$2,200 of the Authority's original budget estimate. Mr. Lamson stated that although revenues had been \$2,185,000 higher than budgeted, the increase had been offset by additional unbudgeted operating expenses, primarily in the maintenance area, in the operation of the Authority's terminals and parking lots, and as the result of several large claims that had been made under the Authority's self-insured health plan. Mr. Lamson said that the Authority's independent auditors were expected to complete their field work at the end of the week and that the Finance Advisory Board should be able to review a draft of the auditors' report prior to the Authority's next meeting.

Nantucket Clipper Dockage Facilities Agreement:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Rappaport -- to authorize the General Manager to execute a standard Dockage Facilities Agreement with Clipper Cruise Line to allow the Nantucket Clipper to dock at Oak Bluffs from noon on May 18, 1996 to 4:00 a.m. on May 19, 1996.

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

Contract for Hyannis Dolphin Repairs:

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Rappaport -- to award Contract No. 38-95 for Hyannis Dolphin Repairs to the lowest responsible and eligible bidder for the contract, AGM Marine Contractors, Inc., of Mashpee, Massachusetts, for a Total Contract Price of \$16,890.00.

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

Lewis Bay Road Parking Lot Improvements:

With respect to Contract No. 03-96 for the Lewis Bay Road Parking Lot Improvements, Mr. Tiberio reported that the Authority had originally budgeted \$174,000 for the work, but that the bids for the contract had been opened that morning and the low bid, which had been submitted by Lawrence-Lynch Corp., was in the amount of \$262,156. (A total of nine bids had been submitted, the amounts of which ranged from Lawrence-Lynch's low bid to a high of \$424,000.) Mr. Tiberio said that, even though the cost of the project would be substantially above the budgeted amount, he was still recommending that the Members award the contract, subject to the staff's confirmation that Lawrence-Lynch was in fact a responsible and eligible bidder, so that the work could be finished by the end of April, which would then allow the Authority to begin work on the Hinckley parking lot and have both facilities operating during the summer.

Mr. Tiberio also noted that, under its agreement with the Town of Barnstable, the Authority was required to provide 20 parking spaces at the site for the storage of boat trailers. He said that the engineer's plans for the lot did include those spaces, but acknowledged that Mr. O'Brien had expressed some concerns over whether the design was workable. Therefore, Mr. Tiberio stated, the staff intended to immediately address those concerns so that any necessary changes in the plans could be made as soon as possible.

Mr. O'Brien confirmed that he did in fact have some very serious concerns about the parking lot's design, since it appeared that it would result in an unavoidable conflict between automobiles and trailers. Although he initially thought that the contract should be placed on hold until a more suitable design was prepared (in the event the changes required the relocation of the proposed ticket booth and utility lines), Mr. O'Brien

ultimately agreed that the contract could be awarded on the understanding that the staff would immediately reassess the design and issue an appropriate change order prior to the time that the relevant construction work was performed.

At Mr. Beach's suggestion, Mr. Tiberio also assured the Members that the staff would review its estimate of the cost of the proposed improvements to the Hinckley parking lot to determine whether it should be modified in light of the wide disparity between the amount of Lawrence-Lynch's low bid and the amount the Authority budgeted for the Lewis Bay Road project (which had been based on previous work performed on other Authority parking lots).

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to award Contract No. 03-96 for the Lewis Bay Road Parking Lot Improvements to the lowest responsible and eligible bidder for the contract, Lawrence-Lynch Corp., of Falmouth, Massachusetts, for a Total Contract Price of \$262,156.00.

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

Contract for Parking Access and Revenue Control System:

Mr. Tiberio reported that the Authority had received bids from four companies to provide a fully integrated, computerized on-line parking access and revenue control system for all of the Authority's parking lots and that CTR Systems ("CTR") had submitted the lowest bid in the Total Base Contract Price amount of \$148,870. Mr. Tiberio also reported that the staff had engaged the firm of Walker Parking Consultants/Engineers, Inc. ("Walker") to prepare the detailed specifications for the contract and to review the bids received. Although the next low bidder for the contract, Industrial Time & Systems, Inc. ("ITS") had raised certain questions regarding the responsiveness of CTR's bid, Mr. Tiberio said that Walker had written a letter rejecting all of ITS' concerns and recommending that the contract be awarded to CTR. Mr. Tiberio stated that the staff agreed with Walker's recommendation and that, if the contract were awarded to CTR, the Authority would first install the equipment at its Hyannis parking lots and then at its Woods Hole and Palmer Avenue locations so that the Authority would have the same type of equipment at all of its facilities and a uniform method of tracking information.

Mr. O'Brien then related the previous bad experience he had encountered with a non-standard parking access operating system, and expressed his concern that CTR's system similarly was a non-standard one. But in response to his concern, Stephen A. Cebra, Walker's Vice President, advised the Members that all of the bidders had offered non-standard systems because all parking software is proprietary and specially formulated. Mr. Cebra assured Mr. O'Brien that CTR's system was a totally compatible personal computer system and could communicate with Lotus. He also stated that CTR's system already had been installed and had been operating for several years in such locations as the San Diego Airport, the Borough of State College, Pennsylvania and the City of Hoboken, New Jersey, as well as more recently the new Fleet Center in Boston, and that none of those operations had experienced any problems with it.

Mr. Cebra also repeated his opinion that there was no merit to the complaints about CTR's system that had been asserted in the letter from ITS. Mr. Cebra stated that CTR's system differed only in its hardware configuration, not its operating system configuration, and that with the training which CTR would be required to provide under the contract, the Authority's staff should have no problem operating the system.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to award Contract No. 01-96 for a Parking Access and Revenue Control System to the lowest responsible and eligible bidder for the contract, CTR Systems, of Pittsburgh, Pennsylvania, for a Total Base Contract Price of \$148,870.00 and a Total Additional Contract Price of \$123,570.00.

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

Old and New Business:

IT WAS THEN VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- 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. Kelleher and Rappaport
VOTING NAY: None

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Before the Members voted to go into executive session at approximately 10:25 a.m., Mr. Kelleher stated that the Members would not reconvene in public after the conclusion of the executive session.

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RONALD H. RAPPAPORT, Secretary

MINUTES
OF THE
WOODS HOLE, MARTHA'S VINEYARD
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The Meeting in Public Session

March 21, 1996

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of March, 1996, beginning at 9:30 a.m., in the conference room of the Authority's General Offices, located at the Foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were two of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; and Secretary Ronald H. Rappaport of Dukes County.

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 S. Eric Asendorf 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 Service Manager Gina Barboza; Special Projects Manager Wesley J. Ewell; and Executive Secretary to the General Manager Maxine Horn.

Mr. Kelleher opened the meeting with the following statement in honor of Bernard D. Grossman, the Authority's Nantucket Member who passed away on March 14, 1996:

"I am sure everyone knows about the great loss that the Authority and the island of Nantucket had. I would just like to say a few words about Mr. Grossman, Bernie to us all, who was the consummate volunteer. For approximately twenty years he served on Steamship Authority boards representing Nantucket, the last dozen years as a governing Member, and was also Chairman several times. He was witty, interesting and interested -- pointed in his questions and dry in his humor. His efforts were always to represent Nantucket well and to serve the Steamship Authority well. His business background, education and personality suited these areas. His financial knowledge was used to ensure a better and fiscally stable Authority. He was a friend.

Speaking for the boards of the Steamship Authority, I wish to express our sympathy and condolences to Grace and his family at this time of loss. We will miss him."

Upon the conclusion of Mr. Kelleher's remarks, Mr. Rappaport also offered the following personal tribute to Mr. Grossman:

"This is the first time in twenty years that there will be a Steamship Authority meeting where we know that our good friend and colleague, Bernie Grossman, will not be returning. While we will no longer have his physical presence, he will live on in our memories for all that he accomplished and all that we have learned from him.

"The terminal and wharf facilities on Nantucket would not be there today if not for Bernie. The second slip and the new terminal that are now being constructed in Hyannis are being constructed, in large part, because of Bernie's efforts. A number of other projects, boats, systems and programs bear his mark.

"He taught us to protect the fundamental economic viability of the Steamship Authority while providing safe, clean and efficient service. He taught us to focus on the core mission of the Steamship Authority, which is to provide the necessities of life to the people of the islands.

"He taught us to rely on everyday common sense. He taught us to be fair and considerate to all those who came before this Board, and to all those affected by our decisions.

"The Steamship Authority was fortunate to have had a person of the caliber and character of Bernie Grossman volunteer his services for the past twenty years; the people of Nantucket were fortunate to have had such an outstanding representative looking out for their interests; and I personally was fortunate to have had a mentor like Bernie Grossman to watch and to learn from.

"I know that everyone associated with the Steamship Authority joins me and Chairman Paul Kelleher in expressing our thanks and appreciation for his years of exemplary service to this organization. We extend our heartfelt sympathies to Grace Grossman, his wife of 52 years, and to their children and grandchildren. I would ask for a moment of silence in honor of Bernie Grossman, our Nantucket colleague, with whom it was my privilege to have served."

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All those in attendance then observed a moment of silence in honor of Mr. Grossman before the Members returned to the items of business on the meeting's agenda.

Minutes:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Kelleher -- to approve the minutes of the Members' meeting in public session on February 15, 1996.

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

Maintenance Management Information System Contract:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Kelleher -- to authorize the General Manager to execute the Agreement that has been negotiated with Building Technology Engineers, Inc. for the development, installation and implementation of a computerized Maintenance Management Information System and related services, and to take all necessary and appropriate actions to fulfill the Authority's obligations under that Agreement.

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

Statistical Model for Ferry Traffic Forecasting Contract:

Mr. Tiberio advised the Members that the staff had completed negotiations with KJS Associates, Inc. ("KJS") for the Authority's proposed Contract for a Statistical Model for Ferry Traffic Forecasting, and that the Members were being asked to approve the contract at that time. Mr. Tiberio then introduced Joseph Savage, a principal of KJS, who gave the Members an overview of the product which his firm would be developing for the Authority and how it would be used as an effective management tool.

Noting that he had been working with the Washington State Ferry system for almost twenty years in traffic forecasting and

transportation planning, Mr. Savage informed the Members that, under the proposed contract, KJS would first conduct an extensive statistical analysis of the Authority's database of all ferry traffic and ridership over the past fifty years. Mr. Savage said that the firm would also analyze the population growth on the islands and Cape Cod, as well as national and regional trends in economic growth, focusing on tourism and recreational demand, and that all of this information would then be inter-related to arrive at a series of equations that would form the basis for a forecasting model to forecast ridership on each of the Authority's ferry routes by passengers, automobiles and trucks. Mr. Savage also stated that he expected the model to be quite accurate, due to the fact that the Authority's operations were a very stable system, and that it would therefore assist the Authority in making decisions about such things as whether to acquire additional vessels or refurbish existing ones, whether to make changes to terminals and whether to establish remote parking lots.

In response to questions from the Members, Mr. Savage said that KJS expected to complete the project within six months and that, during this period, they would be meeting with Authority staff and planners from each of the local communities on a monthly basis. Mr. Rappaport, noting that many of the local planning agencies, such as the Martha's Vineyard Commission, had already gathered a lot of data that would be pertinent to KJS's traffic forecasting model, encouraged Mr. Savage to work closely with those agencies.

Mr. Savage also stated that, although the project did not include price elasticity as a subject of analysis, that issue could be subsequently addressed with some additional modeling to determine, for example, how the Authority could influence traffic patterns by charging premium prices during peak weekend periods. However, Mr. Savage stressed that the Authority was proceeding on the best course of action by first developing a solid ridership model that will accurately reflect the islands' projected population growth. Once that model was established, Mr. Savage said, it would be a relatively simple analysis to determine what effect such things as prices and new types of services and vessels might have on the Authority's traffic.

In response to further questions from the Members, Mr. Savage stated that KJS would determine the Authority's various traffic trends by analyzing how the actual traffic counts have changed on an annual basis for the last fifty years, on a monthly basis since 1980, and on a daily basis for the last several years. KJS will then review pertinent census and socioeconomic data on the islands' permanent and seasonal residents, as well as other economic data regarding the amount of money spent on

recreation and tourism in the area, and will then correlate actual trends in ferry ridership with those statistics to develop relationships and equations among them. Finally, Mr. Savage said, KJS would perform a constraints analysis, which may be based upon the Authority's overall passenger and vehicle capacity or the build-out capacity of the islands, so that the Authority will be able to determine when it will no longer have sufficient capacity to serve anticipated demand.

In developing the traffic forecasting model, Mr. Savage assured the Members that KJS would be looking not only at the Authority's traffic figures, but also at the passenger statistics of the islands' private carriers and airlines. He further stated that KJS would attempt to categorize passengers by the purposes for which they travel, noting that some go to the islands for recreation, some live on the islands, and some have second homes or businesses there. Mr. Savage said that KJS would try to determine how many passengers have traveled for those various reasons by reviewing a variety of sources of information, such as the types of tickets that have been purchased and the results of various surveys that have been conducted in the past by local planning agencies and the Authority itself.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Kelleher -- to authorize the General Manager to execute the Agreement that has been negotiated with KJS Associates, Inc. for the development of a computerized statistical model for ferry traffic forecasting and related services, and to take all necessary and appropriate actions to fulfill the Authority's obligations under that Agreement.

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

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the staff had asked engineers David Porter of Childs Engineering Corp. and Harry Wetherbee of Geotechnical Services to be present to advise the Members of the status of the pile driving work which was taking place at the terminal and which was causing significant problems there. Specifically, Mr. Tiberio said, approximately ten days before the meeting, the Authority began experiencing some damage to the concrete slabs on the front side of the building as a result of the pile driving, although there was no danger to the building

itself. Mr. Tiberio also stated that measures had been taken to remedy the problem and to reduce any further damage that might result from that activity.

Mr. Porter then assured the Members that the integrity of the new Hyannis terminal building was not in question, and that none of the pile driving activity was occurring where it could influence the building's foundation or structure. However, Mr. Porter acknowledged that the Authority was experiencing some movement in the area of the terrace and retaining wall, although he described the movement as "stable" which occurs only when a pile is being driven. As a result, Mr. Porter said, some cracking and cosmetic damages had occurred.

Mr. Porter also reported that his firm since had developed a different pile driving technique which would better control and minimize the impacts of the pile driving. The marine contractor also had been requested to place additional soils outside of the bulkhead, in accordance with its obligations under the construction contract, before conducting any more pile driving activity to further dampen the movement and provide additional support for the bulkhead itself. In addition, Mr. Porter noted, most of the remaining pile driving work would be occurring farther offshore, which would reduce the influence that the shaking would have on the structure.

Mr. Porter concluded his report by declaring that, at that point in time, the engineers believed that they had a good handle on all of the issues involved, that they could control the pile driving to minimize any further impacts on the terrace and retaining structure and that, although a final decision had not yet been made, there would not have to be any wholesale removal of any construction work that already has been performed, although a fair amount of post-pile driving remediation work may be required to dress up and close gaps that have occurred.

In response to questions from the Members, Mr. Porter acknowledged that there would be more movement in the area of the terrace when the pile driving continued, but declared that it would not be anywhere near the magnitude of the movement which the Authority had already experienced. In this regard, he stated that a two-inch horizontal displacement of some of the elements had already occurred, while the residual or further actions would probably be measurable on the order of one-sixteenth of an inch.

Mr. Wetherbee then said that he concurred with the statements that had been made by Mr. Porter, that he felt the pile driving could continue in a fairly safe manner, and that he saw no problem at all with the Authority using the new terminal building while the remaining piles were being driven. In this

regard, Mr. Wetherbee noted that the significant movement had already occurred, but he also declared that because of the way the building was constructed, its foundation was not influenced by the vibration and was never in any jeopardy anyway.

Mr. Tiberio reported that the staff had not yet attempted to make any final estimate of what it will cost to repair the damage, which will depend on the extent of the work that will be necessary. On the low end, Mr. Tiberio said, the repairs might cost as little as \$20,000 to \$30,000; but if the Authority is required to remove all of the terrace's concrete slabs, the cost might be as high as \$200,000.

Mr. Ewell also reported that, after the pile driving activity was completed, all of the utility lines located under the terrace would be dug up, inspected and replaced, if necessary. However, Mr. Ewell informed the Members that the Building Commissioner had agreed to issue a temporary certificate of occupancy for the building, although the Authority will be required to fence off the portion of the terrace where the damage has occurred. Mr. Ewell also stated that the Authority had already spent around \$25,000 for additional engineering services because, as soon as the cracking began to occur, the staff had immediately hired Geotechnical Services and surveyors to monitor the building, the terrace and the pile driving operation itself.

Despite these problems on the marine portion of the project, Mr. Tiberio reported that the terminal building was essentially 100% complete and had come in around \$25,000 under budget, since the cost of change orders to the terminal building contract had amounted to only three percent of the original contract price instead of the anticipated five percent. Mr. Ewell also stated that the Authority still expected to take possession of the building in mid-April, two months ahead of schedule, and to commence operations from there by the end of that month.

After Messrs. Tiberio and Ewell had completed their report, Mr. Rappaport declared that, based upon what he had read and heard, he would like to commend management for its prompt responsiveness to the situation.

Falmouth Parking Issues:

With respect to Falmouth parking issues, Mr. Tiberio reported that the Massachusetts Military Reservation Commission had formally endorsed the concept of allowing the Authority to use an area at the reservation for a parking facility. However, Brigadier General William Labrie had informed him that his staff

had to research two legal issues (namely, whether the property can legally be used for parking purposes and whether such use would be in violation of the consent decree under which the Reservation was operating) before he could begin discussing any possible agreement with the Authority. Mr. Tiberio said that those legal issues hopefully would be resolved by the end of March and that the Authority would then be able to proceed with obtaining permits for and developing the facility for possible use by the summer of 1998.

Meanwhile, Mr. Tiberio stated, the staff was exploring four possible sites, all of which were located outside of Falmouth, for between 150 and 200 provisional parking spaces during the 1996 and 1997 summer seasons, and he expected that arrangements for those spaces would be finalized within the following few weeks. The staff was also expanding the coverage of the Authority's 1610 AM radio station; meeting with the Highway Department to finalize details for two additional variable message signs; discussing with the Executive Office of Transportation and Construction the possibility of having the Authority's patrons use the Sagamore Park 'n Ride parking lot; and working towards the implementation of off-site ticketing that summer.

Guaranteed Express Reservations Program:

Mr. Tiberio then reported that the staff had scheduled two public meetings over the next few weeks to acquaint Vineyard and Falmouth residents with the Authority's Guaranteed Express Reservations Program, and that he would be discussing the program with a number of other business groups as well. Mr. Tiberio also said that 500,000 brochures on the program had been printed and were being mailed out to a variety of recipients, including every person who made a vehicle reservation with the Authority during 1995; that the staff was preparing radio spots, newspaper advertisements and leaflets which would be mailed to Commonwealth Electric Company customers with their bills to advise patrons on how to use the system; that the Authority would be coordinating with Smartroutes on a regular basis; and that the Authority's passengers would be surveyed during the first period of the program surrounding Memorial Day to obtain their sentiments.

Treasurer's Report:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Kelleher -- to adopt an amendment to Part VI, Section 6.01 of the Authority's Deferred Compensation Plan, entitled "Unforeseeable Emergency," in the form attached to Staff Summary #A-343, dated March 15, 1996.

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

Mr. Lamson reported that the Finance Advisory Board and the staff had met with the Authority's independent auditors to review a draft copy of the Authority's financial statements for the year 1995, and that he expected the statements to be released with an unqualified opinion within the following week.

Old and New Business:

Mr. Tiberio advised the Members that the Authority had been participating with a team of second-year Harvard Business School students who were studying a number of the transportation issues which the Authority was facing, and that after students concluded their study they would provide the Authority with an executive summary of their substantive recommendations. Mr. Tiberio said that the students were going to present their recommendations informally to the staff during the first week of April and that, unless the Members felt otherwise, he would also request that they make a formal presentation to the Members at the Authority's April 18, 1996 meeting.

After Richard Sherman related his experience of waiting on the telephone with the Authority's Reservations Bureau for more than thirteen minutes before being able to make a reservation, Mr. Tiberio confirmed that the average wait for a customer to make a reservation during the month of February 1996 was somewhere between eight to ten minutes. Mr. Tiberio said that the level of activity had increased substantially this year from years past and that, in response, the Authority had increased the number of reservations clerks and was exploring other avenues to reduce that wait on an economical basis. Although stating that such a long wait was unacceptable from a customer service standpoint, Mr. Tiberio declared that the Reservations Clerks nevertheless were to be commended for the large number of telephone calls and mail-in reservation requests they had handled during that short period of time.

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Marc Widdiss from the Martha's Vineyard Harley Riders Club then expressed his concern about the fares that were being charged to motorcycles, which he considered to be excessive in comparison to the fares charged to other vehicles. In response, the Members noted that Mr. Widdiss' concerns had already been addressed extensively by the staff, although not to his satisfaction, and they suggested that he might wish to direct his request to Mr. Tiberio so that he could take a fresh look at the matter.

IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. Kelleher -- 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. Kelleher and Rappaport
VOTING NAY: None

Before the Members voted to go into executive session at approximately 10:55 a.m., Mr. Kelleher stated that the Members would not reconvene in public after the conclusion of the executive session.

A TRUE RECORD



RONALD H. RAPPAPORT, Secretary