

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

The Meeting in Public Session

July 18, 1996

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of July, 1996, beginning at 10:15 a.m., in the Selectmen's Meeting Room of the Town and County Building, located at 16 Broad Street, Nantucket, Massachusetts.

Present were all four of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Vice Chairman Grace S. Grossman of Nantucket; 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; Customer Service Manager Gina Barboza; Executive Secretary to the General Manager Maxine Horn; and Nantucket Terminal Manager Paul Harrington.

Mrs. Grossman began the meeting by welcoming everybody from the foreign shores, and Mr. Kelleher thanked her and the Nantucket Board of Selectmen for their hospitality.

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 June 19, 1996.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis terminal reconstruction project, Mr. Tiberio reported that the pile driving had been completed that week for the new pier and transfer bridge, that the marine contractor would be pouring more than 600 truckloads of concrete through the summer to complete the work and that, with the exception of some landscaping, the entire project should be finished by November 1996 if everything remained on schedule, which he expected it would. Mr. Tiberio also reported that the site had sustained no further damage as a result of the pile driving and that the terminal building was not in any danger.

Mr. Tiberio also assured Mr. O'Brien that he would be shown the new lights for the interior of the building for his review before they are approved.

Express Reservations Program:

Mr. Tiberio then reported that the Express Reservations Program had worked well again over the July 4th Weekend and appeared to have the overwhelming support of the Authority's customers. Mr. Tiberio said that, over the next month, the staff would be conducting surveys of the Martha's Vineyard and Woods Hole business communities and would then make a final recommendation to the Members as to how much the Authority should expand the 100% reservations program for 1997 and what changes should be made to it.

Mr. Rappaport declared that the pilot program had been a bold initiative and, from what he had seen, a very successful one due to all the planning and effort that had gone into it. Mr. Rappaport also agreed with Mr. Tiberio that the Authority should consider further expanding the program in 1997, although he expressed his concern that committing all three of the freight boats to operate between Woods Hole and Martha's Vineyard could have a negative impact on the Authority's service to Nantucket, since it would reduce the flexibility of the fleet to take care of Nantucket's freight traffic as well as any possible back-up of automobiles at Hyannis. Mr. Rappaport said that he thought Mr. Tiberio's idea of having some public forums about this subject on Martha's Vineyard was a good idea and that perhaps the Authority should hold a special meeting there as well to deal with the issue.



Finally, Mr. Rappaport commended all of the Authority's employees for the excellent and outstanding job they did during the week of July 4th. Mr. Rappaport declared that all he had heard from customers were compliments about how well they were treated and how polite everyone was, and that it was obvious to him that everyone throughout the organization had taken pride in being able to move forward into a new program and to do it well.

In response to a question from Mr. Beach, Mr. Tiberio confirmed that nothing had yet been done to expand the program to apply to the Nantucket service and that it would be premature to consider any such expansion for 1997. Mrs. Grossman noted that Nantucket's situation was completely different from the one which had been created by the Authority's "guaranteed standby" policy for Martha's Vineyard, since Nantucket standby customers have never been promised that they will have their cars transported to the island the same day they arrive.

Nevertheless, Mr. Beach stated that the Authority should investigate whether some improvements could be made to its reservations policies for Nantucket, citing an example of one resident who could not get her car on the boat because it had been filled with rental cars. Mrs. Grossman agreed that the particular issue of rental cars was one which was of serious concern to many island residents, but both she and Mr. Rappaport questioned whether the Authority could prevent rental car companies from making reservations on the Authority's vessels. Instead, Mrs. Grossman suggested, Nantucket should consider restricting the number of rental cars allowed on the island by town meeting or should take other measures to accomplish that purpose. Mr. Tiberio said that another possibility was for the staff to discuss the problem with the rental car companies to see whether they would voluntarily agree to have their cars transported at different times of the day and week.

In response to a question from Mr. O'Brien, Mr. Tiberio said that one of the biggest benefits of the 100% reservations program was the ability to run a much more efficient system, in that the program allowed reservations clerks to direct customers to available spaces on marginal vessel trips early in the morning and late at night. As a result, Mr. Tiberio said, the Authority's capacity utilization of its freight boats during the pilot period was close to 99%. Mr. Tiberio also stated that, from a customer service and traffic management viewpoint, the program benefited the Authority by reducing congestion and allowing customers to arrive as late as thirty minutes before sailing time instead of before 2:00 in the afternoon.

Automated Reservation and Ticketing System:

With respect to the Authority's automated reservation and ticketing system, Mr. Tiberio reported that the staff had issued a request for proposals soliciting an off-the-shelf software system requiring little customization that will be able to be implemented by January 1, 1997. Mr. Tiberio said that computer companies had until July 25, 1996 to submit their proposals, and that if it then appeared that a new system could not be put in place by the end of the year, the existing system would be modified so that it will have wait list, vehicle identification and 100% reservations capabilities while a new system is customized for the Authority's needs.

1996 Capital Expenditures Plan:

Mr. Tiberio advised the Members that they had been provided with a revised capital expenditure plan for the remainder of 1996 to take into account the expected cost increases associated with the additional pile driving and disposal of dredge materials in connection with the Hyannis terminal reconstruction project and the Authority's recent acquisition of the property located at 254 Palmer Avenue in Falmouth. Mr. Tiberio also stated that, in order not to exceed the original 1996 Capital Budget, the staff was recommending the deferral of three projects until 1997, namely, the acquisition of four shuttle buses, design and engineering related to the refurbishment of the M/V Nantucket, and the upgrade of the Authority's parking lot ticketing system. Mr. Tiberio assured the Members that none of those deferrals was expected to materially affect the Authority's current operations or the implementation of the ten-year Capital Plan.

Treasurer's Report:

Mr. Lamson reported that operating revenues for the first six months of 1996 were expected to be about two percent lower than projected, but that this shortfall had been more than offset by lower operating expenses. As a result, Mr. Lamson said, the Authority's operating loss during that period was expected to be approximately \$150,000 to \$200,000 lower than the original budget forecast.



Nantucket Freight Task Force Meetings:

Mr. Tiberio reported that the staff had been meeting with representatives of the trucking industry regarding certain concerns that they had raised related to the Authority's service to Nantucket. Mr. Tiberio said that, at their meeting the previous day, the staff had told the representatives that, by the time of their next meeting on August 20, 1996, they would develop preliminary recommendations to begin addressing some of their concerns. Mr. Tiberio also said that those recommendations, which may involve the utilization of the third freight boat and the Hyannis terminal's second slip, would then have to be tied into the Authority's 1997 Operating Budget.

Mrs. Grossman commended Mr. Tiberio and the staff for their efforts in developing a better relationship with the trucking industry, and said she felt confident that the meetings were going to result in real improvements.

Old and New Business:

Mrs. Grossman informed the Members that she had been given a list of items that a number of Nantucket residents would like to have addressed at their meeting. After the Members reviewed the list, Mr. Murphy suggested that the management staff take those items under advisement and report back to the Members with any recommendations they feel are appropriate.

Arthur Desrocher, Chairman of the Nantucket Board of Selectmen, advised the Members that the Nantucket Transit Authority was required to allow other persons to use its shuttle buses during the off-season under the terms of the grant it had received to buy those buses. Mr. Desrocher suggested that, if the Authority were interested in using the buses during the spring or fall, perhaps the Transit Authority would be able to work out an arrangement with the Authority for that purpose.

Syd Conway, the legislative liaison for Nantucket, encouraged the Members to consider expanding the 100% reservations program to the Nantucket service. Mr. Conway also suggested certain other improvements to the Authority's operations, including the possibility of advertising the schedules of freight boat trips on which passengers are able to ride.

Lee Day Gillespie complimented the Members for the service that the Authority provides for Nantucket. However, Ms. Gillespie agreed with Mr. Beach that having customers not being able to

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obtain space on the vessels on the July 4th weekend while at the same time transporting rental cars to the island was an insult to the Authority's service, although she said that she was not proposing a solution by which the Authority would be able to require rental car companies to move their cars at less busy times of the week.

In response to a question from Jason Gay, Mr. Tiberio said that the staff had not yet decided whether it would recommend expanding the 100% reservation program for just the 1997 summer season or the entire year. In this regard, Mr. Rappaport noted that it would be much harder for Martha's Vineyard residents to accept the program on a year-round basis, as they do not want to feel that they are trapped on the island during the winter.

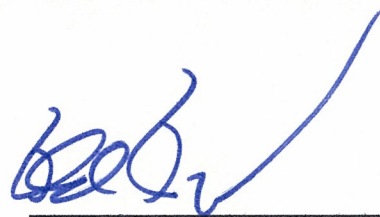
IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase and value of real estate, and personnel matters.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Before the Members voted to go into executive session at approximately 11:20 a.m., Mr. Kelleher stated that the Members would not reconvene in public after the conclusion of the executive session.

A TRUE RECORD



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RONALD H. RAPPAPORT, Secretary



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

**The Meeting in Public Session**

**August 29, 1996**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 29th day of August, 1996, beginning at 9:30 a.m., in the Katharine Cornell Theatre, located at 51 Spring Street, Vineyard Haven, Massachusetts.

Present were all four of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Vice Chairman Grace S. Grossman of Nantucket; Secretary Ronald H. Rappaport of Dukes County; 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 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; Executive Secretary to the General Manager Maxine Horn; Vineyard Haven Terminal Manager Bridget Tobin; and Woods Hole Terminal Manager Kevin Smith.

**Minutes:**

**IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to approve the minutes of the Members' meeting in public session on July 18, 1996.**

**VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport**

**VOTING NAY: None**

Express Reservation Program:

Mr. Tiberio summarized the series of recommendations which management was making to the Members in revised Staff Summary #GM-351, dated August 26, 1996, regarding the proposed further implementation of the Express Reservation Program during the 1997 summer season and other changes to the Authority's reservations policies and procedures. Mr. Tiberio stated that management's recommendations were based upon an assessment of the major strengths and weaknesses of the pilot program which was in effect during the 1996 season, an analysis of the program's effect on the Authority's terminal, vessel and parking facility operations, and the response to the program from the Authority's customers and port communities.

Ultimately, Mr. Tiberio said, management was recommending that the Authority continue to phase in the program, rather than implement it immediately, by adopting a reservation-only policy for Martha's Vineyard for every weekend (Fridays through Mondays) during the 1997 summer season and for the entire period from June 27, 1997 through July 8, 1997, and retaining guaranteed standby for all other Tuesdays, Wednesdays and Thursdays during the summer. Mr. Tiberio stated that management's recommendations pertaining to the Authority's other reservation policies and procedures were being made to address specific problems and issues that had arisen, such as the elimination of block buying and providing island residents with a greater opportunity to obtain reservations during the summer season.

Mr. Tiberio acknowledged that the recommendations would not satisfy everyone, but were nevertheless made after consideration of a number of different constituencies and objectives. From an operational perspective, Mr. Tiberio said, the program had worked quite well, allowing the Authority to manage traffic better to reduce disruption to the Authority's port communities and providing patrons with a better customer service experience. By recommending that the express reservation program be in effect only during summer weekends, management was also attempting to respond to concerns raised by the business communities about the possibility of the Authority proceeding too fast, without losing the essence of what the Authority was attempting to accomplish.

Mr. Kelleher then invited members of the audience to comment on management's series of recommendations. In response, public officials (including Edgartown Selectmen Fred B. Morgan and Arthur Smadbeck, Gay Head Selectman Walter Delaney, Tisbury Police Chief John McCarthy, Dukes County Commissioner Daniel Flynn and Tisbury Selectman A. Kirk Briggs said that they generally supported the recommendations, as did a number of other members of the audience.



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Nevertheless, Tisbury Selectman Henry Burt questioned how the Authority would be able to identify which of its customers were island residents, and several other individuals (including Cora Medeiros, Daniel Feeney, Randi Vega and Wendy Harriman) said that they felt a number of issues still had to be resolved before the Authority could implement the recommended changes. A particular point of criticism was the decision to implement the 100% reservation system for Martha's Vineyard for only four days of the week during the summer season and retaining the guaranteed standby policy for the other three days. Many members of the audience (including Chief McCarthy, Julie Ann Vandal, Ron Nelson, Marie Laursen, Carol Fligor and Mr. Briggs) said that they felt such an arrangement would result in confusion and would simply shift the traffic problems which were now occurring on weekends to the middle of the week.

An issue that was repeatedly raised (by, among others, former Authority Members E.B. Collins and Robert Stutz, as well as Elaine Putnam, Robert Sawyer, Frances Hibbard, Gladys Segal, Mr. Burt and Gary Fauteux) was the difficulty that both year-round and seasonal island residents have in obtaining reservations to travel to and from the mainland for such purposes as medical appointments. Many other suggestions were also made to improve the Authority's operations, such as acquiring an off-site parking and staging area on the island, requiring employees to park their vehicles away from the Vineyard Haven terminal, increasing the amount of available parking on the mainland and reducing parking fees there.

After almost two hours of public comment, Mrs. Grossman emphasized that the Authority was unable to please all of the different constituencies which were making conflicting demands upon the Authority. Noting that some residents wanted fewer cars on the island to preserve their quality of life, that others wanted to be able to go back and forth to the mainland whenever they please, and that others wanted more service to help their businesses succeed, Mrs. Grossman declared that it was the responsibility of island residents to decide what level of service they wanted and to let the Authority know. The Authority could not make that decision for them.

Mr. O'Brien then moved to approve management's recommendations pertaining to the Express Reservation Program, as set forth in revised Staff Summary #GM-351, dated August 26, 1996, and Mrs. Grossman seconded that motion.

Mr. Rappaport recounted how, over the Independence Day weekend in 1995, there had been a potentially life threatening situation in Woods Hole when traffic was backed up to the traffic lights, and how the same situation had occurred in Vineyard Haven

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at the end of the Independence Day weekend in 1996. Mr. Rappaport also reminded the audience that those types of situations, although not as severe, were occurring on a regular basis as the result of the Authority's standby policy. Reciting a number of problems with the current situation, such as the chaos and congestion around the terminals, the long waits that people have to endure in the standby lines, and the inefficiencies which are inherent in not knowing until the last minute how many vessels the Authority is going to need to run, Mr. Rappaport declared that the Authority simply was not doing a good job by allowing this condition to continue.

Noting that the long waiting lines were eliminated and that customer satisfaction was enormous during the sixteen days that summer when the Express Reservation Program was tried out, Mr. Rappaport stated that the program -- which provided better and fairer service, substituted order for chaos, and gave more access to the boatline for residents and visitors -- deserved a further test, although he was not prepared to decide whether it should be adopted on a year-round or all-summer basis. Mr. Rappaport also said that he felt management's recommendations were the best he had heard which would provide the Authority with such a test so that the Authority would then be in the position to make a judgment as to whether the program should be implemented full-time or seasonally. Finally, Mr. Rappaport declared that he was willing to put his trust, faith and reputation in Mr. Tiberio, whom he considered to be the best public administrator of any transportation agency in the county and who had done an outstanding job in working through the program during 1996 and thinking out the program for 1997.

Nevertheless, Mr. Rappaport acknowledged that a number of comments had been raised by the audience that day which he believed deserved further consideration before the Authority formally implemented the program for 1997. Therefore, he stated that he was prepared to support the program as recommended by management -- provided that the program started on May 23, 1997 instead of May 13, 1997 and ended on September 12, 1997 instead of October 16, 1997 -- with the understanding that it would be further refined and brought back to the Members for another vote at their next meeting. In addition, Mr. Rappaport suggested that management clearly communicate with everyone when decisions will have to be made during 1997 regarding the extent to which the program will be implemented thereafter, so that the public will know when to attend meetings to have their positions heard on this issue.

Mr. O'Brien accepted Mr. Rappaport's proposed modifications to management's recommendations as a friendly amendment to his motion, which was again seconded by Mrs. Grossman.



IT WAS VOTED -- upon Mr. O'Brien's motion (as amended by Mr. Rappaport), seconded by Mrs. Grossman -- to approve management's recommendations pertaining to the Express Reservation Program, as set forth in revised Staff Summary #GM-351, dated August 26, 1996, with the following modifications:

- (a) the program is to start on May 23, 1997 instead of May 13, 1997 and is to end on September 12, 1997 instead of October 16, 1997; and
- (b) management is to further refine the program after consideration of the comments made by the audience that day and present it again to the Members for another vote at their next meeting.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Statistical Model for Ferry Traffic Forecasting:

Mr. Tiberio then reported that the Members had been provided with a summary of the statistical model for ferry traffic forecasting that had been developed by KJS Associates, Inc. The Members agreed with Mr. Tiberio to defer discussion of the model until its authors were given the opportunity to make a formal presentation to the Members at their September 1996 meeting. The Members also agreed with Mr. Tiberio's suggestion to retain KJS Associates, Inc. to undertake a price elasticity study because of the firm's familiarity with the Authority's operations and the desire to have that analysis done quickly so that it could be used in connection with the preparation of the 1997 Operating Budget.

Automated Reservation and Ticketing System:

With respect to the Authority's new Automated Reservation and Ticketing System, Mr. Tiberio reported that management was negotiating with a firm that had responded to the Authority's request for proposals and had developed a software package which, it appeared, could be modified to include many of the features requested by the Authority and installed prior to December 1, 1996.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to authorize the General Manager to execute one or more contracts to acquire software and hardware for the Authority's reservations and ticketing systems, in an aggregate amount not to exceed \$350,000.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

1997 Budget Policy Statement:

The Members then discussed management's proposed 1997 Budget Policy Statement, as set forth in Staff Summary #A-344, dated August 26, 1996. In this regard, Mr. Tiberio advised the Members that the proposed statement envisioned only minor changes to the Authority's 1997 operating schedule, most notably additional freight service for Nantucket as had been requested by truckers on that island. The Members observed that it appeared the Authority would have to consider some sort of fare increase for the upcoming year to cover the projected expenses, assuming that traffic levels remained flat.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the 1997 Budget Policy Statement as set forth in Staff Summary #A-344, dated August 26, 1996.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Kelleher complimented Hyannis Terminal Manager James Rubino and his staff for the excellent job they were doing despite the working conditions and construction activities taking place at the terminal. Mr. Tiberio also advised the Members that, as set forth in Staff Summary #SP-062, dated August 15, 1996, the Authority had incurred almost \$124,000 in extra engineering services for monitoring and property protection as the result of the pile driving problems experienced earlier that year.



Supplement to the Authority's Licensing Policy:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the proposed supplement to the Authority's Licensing Policy, as set forth in Staff Summary #L-260, dated August 6, 1996.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Island Commuter Corp. License and Dockage Agreement:

IT WAS VOTED -- upon Mrs. Grossman's motion, seconded by Mr. Rappaport -- to approve a License and Dockage Agreement with Island Commuter Corp. for the Woods Hole Golf Club outing on October 21 and 22, 1996, as set forth in Staff Summary #GM-349, dated August 21, 1996.

VOTING AYE: Mrs. Grossman and Mr. Rappaport

VOTING NAY: None

Mr. Kelleher declined to participate in this matter and abstained from voting on the proposed agreement, having advised the other Members that he was a member of the Woods Hole Golf Club.

General Manager's Performance Evaluation Process:

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to defer discussion of the General Manager's Performance Evaluation Process until the September 1996 meeting.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Treasurer's Report:

Mr. Lamson reported that the Authority's net operating loss for the first seven months of 1996 was about \$525,000 higher than the original budget estimates, due primarily to the fact that operating revenues during that period were almost \$600,000 lower than had been projected. As a result, Mr. Lamson said, the Authority was running \$525,000 behind its projected net operating income of \$1,061,000 for the 1996 calendar year.

Nantucket Freight Task Force Meetings:

Mrs. Grossman reported that she had received a letter from one of the truckers who had attended the Nantucket Freight Task Force meetings thanking her and management and congratulating them on a job well done. Mr. Tiberio stated that management would be continuing this type of dialogue not only with Nantucket truckers, but with Martha's Vineyard truckers as well, to ensure that the Authority monitors their needs as they change.

Old and New Business:

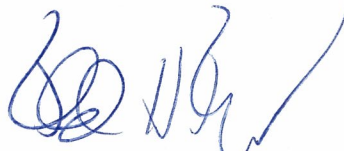
IT WAS VOTED -- on Mr. Rappaport's motion, seconded by Mr. O'Brien -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining and litigation matters, the purchase and value of real estate, and personnel matters.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Before the Members voted to go into executive session at approximately 12:40 p.m., Mr. Kelleher stated that the Members would not reconvene in public after the conclusion of the executive session.

A TRUE RECORD



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RONALD H. RAPPAPORT, Secretary



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

**The Meeting in Public Session**

**September 26, 1996**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 26th day of September, 1996, beginning at 9:30 a.m., in the conference room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts.

Present were all four of the Authority's Members: Chairman Paul R. Kelleher of Falmouth; Vice Chairman Grace S. Grossman of Nantucket; Secretary Ronald H. Rappaport of Dukes County; 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 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; Maintenance and Construction Manager James P. Swindler; Special Projects Manager Wesley J. Ewell; Executive Secretary to the General Manager Maxine Horn; and Hyannis Terminal Manager James Rubino.

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 August 29, 1996.**

**VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport**

**VOTING NAY: None**

Statistical Model for Ferry Traffic Forecasting:

Mr. Tiberio recounted how the Authority had entered into a contract with KJS Associates, Inc. earlier that year for the development of a statistical forecasting model for use by the Authority as a management tool to examine potential impacts that anticipated traffic growth will have on the ferry system and to consider what steps both the Authority and its local communities will have to take to deal with that traffic. Mr. Tiberio advised the Members that, although the model had been developed by KJS, planning representatives from all four of the Authority's port communities had been intimately involved in the process and had provided KJS with information which formed the basis for the forecasts. Mr. Tiberio also cautioned the Members that the forecasting model would not provide the Authority with any answers to the problems associated with traffic growth, although he said that it would provide a sense of direction on how those problems should begin to be addressed.

After being introduced by Mr. Tiberio, Joseph Savage of KJS and Francis Mahady of FXM Associates gave a formal presentation to the Members of their findings, forecasts and recommendations. Mr. Savage began by stating that the purpose of their contract had been to analyze historical ridership trends, develop a statistical forecasting model, look at potential constraints on Authority traffic growth, forecast the ridership that would occur in the years 2000 and 2005 based upon socio-economic information provided by the local communities, and then conduct training sessions for the staff of both the Authority and local planning agencies on how to apply the model and possibly extend its use in light of future trends.

Mr. Savage informed the Members that their approach to the model had been very much step by step, looking not only at Authority ridership, but at all person trips occurring between the mainland and the islands, including air travel and the private ferries. In addition, they had looked at the separate trends in the growth of automobiles, drive-on passengers, passengers with bicycles and park-and-ride passengers, as well as trucks, which had grown at a somewhat different rate than the general traffic growth on either island. Mr. Savage also said that the development of the model did not just entail looking at those traffic levels; rather, the task was to relate those traffic counts to development and growth on the islands by using socio-economic indicators or predictors such as population figures, levels of employment and other data.

Mr. Mahady emphasized that, because they sought to produce a model which would be useful to both the Authority's staff and the communities over time, they attempted to identify measures that



could be reliably tracked and were demonstrably related to automobile and passenger traffic. In this endeavor, Mr. Mahady said, they analyzed a number of different variables, including personal income, various types of employment, earnings, the number of local building permits issued, and seasonal population figures, but in the end they determined that year-round population and retail employment on each island were very good predictors and proxies for a large number of other variables relating to the islands' overall economic picture. Mr. Mahady declared that, as a result, the model was not "soothsaying." To the contrary, it represents a projection of trends that are currently in existence and also reasonably foreseeable.

With respect to the islands' year-round resident population figures, Mr. Mahady advised the Members that those numbers were the subject of forecasts by a number of different sources and had correlated extremely well historically with the gradual growth of traffic levels that had been recorded by the Authority for the past 25 years. Similarly, retail employment levels turned out to be a very good proxy for fluctuations in the islands' seasonal economic activity as well as the occasional dips that occurred in ferry ridership over the years. Further, Mr. Mahady said, the islands' economies compared extremely well with the economies of the larger region and the nation as a whole, and were not counter-cyclical as some press reports of anecdotal evidence might suggest. Therefore, the Authority can generally anticipate what traffic levels are going to be seen on the islands by looking at what is happening in the state and national economy.

Mr. Savage stated that one of the things they had done to validate their model was to "back cast" or, in other words, to go back over the last 25 years knowing what the year-round population and retail employment figures were, to use the model to estimate what the level of ferry ridership should be based upon those figures, and to then compare those estimated levels with actual traffic counts. That process confirmed that KJS' model was very reliable, stable and consistent, accounting for 99.1% of the total variation in traffic levels over that 25-year period. The model also correctly estimated dips in traffic due to downturns in the economy.

Mr. Savage further advised the Members that KJS' projections were based upon high and low estimates of island year-round population and retail employment figures for the years 2000 and 2005 that were provided by the island planning agencies. In addition, because even the high estimates of future growth merely represented a continuation of the growth rate that had been occurring on each island since 1970, Mr. Savage felt that they were rather conservative and certainly not overly optimistic.

Mr. Mahady again emphasized that the local planning agencies' projections reflected a conservative long range trend in traffic growth, with the year-round population on Martha's Vineyard growing a little faster than on Nantucket, although the implications were the same for both islands. For example, Mr. Mahady said, they expected to see between 400 and 470 new year-round residents on Martha's Vineyard per year, which would translate into an annual demand for between 180 and 200 new year-round residential units, a lower number of new units than that which the island had seen per year over the last ten years. Mr. Mahady also stated that the demand for those new units might be met either by new construction or by a conversion of seasonal units to year-round ones, especially since the year-round population growth would similarly be accomplished, at least in part, by seasonal residents becoming year-round residents.

As a result of this projected growth in year-round population and retail employment, which would be consistent with the growth that the islands have experienced over the last 25 years, Mr. Savage declared that the number of automobiles carried by the Authority annually to Martha's Vineyard would increase by approximately forty percent, or from 368,000 cars to somewhere between 485,000 and 537,000 cars, by the year 2005. (Mr. Savage also noted that this projected 40% increase in automobile traffic to Martha's Vineyard reflected a growth rate of between 2.7% and 3.8% per year, which is lower than the 4.6% annual growth rate in automobile traffic actually experienced by the Authority from 1985 to 1995.) Mr. Savage further stated that the number of cars carried by the Authority to Nantucket similarly would increase during the next ten years by about twenty percent.

Assuming that the Authority were to accommodate all of this increase in the demand for automobile traffic, Mr. Savage said, it will have to add twelve more trips each day to and from Martha's Vineyard during the summer (the equivalent of six round trips) with a vessel that had the capacity to carry 56 automobiles, and four more trips each day to and from Nantucket (the equivalent of one more round trip for each of the two vessels currently serving Nantucket).

Noting that the limitations on vessel capacity had already started to constrain traffic growth during the summer, Mr. Savage declared that the so-called "shoulder" seasons will continue to experience faster growth than the peak seasons. Indeed, KJS has projected that, if the Authority were to add no new vessels to its operations during the next ten years (other than to replace existing vessels), by the year 2005 it will experience the same kind of traffic conditions from June through October that occurred in August 1995, with the peak weekends being even more crowded and there being no spare capacity for any vessel mainten-

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ance or possible breakdown. On the other hand, if the Authority were to add more capacity and vessels to handle the forecast demand, those "August-like" conditions would begin to occur sometime in April.

Mr. Savage also clarified that KJS' forecasts were of the demand that will exist for automobile and passenger ferry service in the future, and that those forecasts did not necessarily mean that the Authority would meet that demand by increasing service. However, Mr. Savage cautioned, if the Authority were to add no additional capacity during the next ten years, by the year 2005 it will be able to accommodate only two-thirds of the automobile demand for Martha's Vineyard and only 75% of the automobile demand for Nantucket. While some of those drive-on passengers who will not be able to travel with their cars to the islands will switch to the airlines or private ferries, Mr. Savage declared that such a course of action will also inevitably lead to an increase in park-and-ride and public transit passengers, particularly in the good weather seasons.

With respect to their passenger forecasts, Mr. Savage said that KJS had assumed that the other modes of travel to and from the islands, such as the private ferries and airlines, would continue to capture the same share of traffic over the next ten years that they have consistently captured in the past. Therefore, while the private ferries might not be the Authority's direct responsibility, Mr. Savage felt that the Members should consider what their role should be in the islands' transportation network, since they will be faced with the same kinds of problems as the Authority will face in terms of vessel and parking needs, fares and access. Moreover, if the private ferries are not able to accommodate their expected growth, the result will be an even greater growth in traffic on the Authority's vessels.

Mr. Savage further advised the Members that the Authority also had to think about how its fleet will need to handle more and more passengers in the future. In this regard, he noted that even today there are a lot of peak travel times when all of a vessel's passengers cannot be accommodated inside. Regardless of what the Authority does in response to the increased demand for automobile capacity, Mr. Savage said, there will be a need for 25% to 40% more passenger space on its vessels serving Martha's Vineyard and another 10% to 15% more passenger space on vessels serving Nantucket. Given this predicted increase in passenger traffic, Mr. Savage suggested that the Members might want to explore starting a passenger-only service from its existing terminals or other locations.

Mr. Savage also pointed out that the increased passenger traffic will have an impact on the Authority's land-based facilities, citing the need for more parking lots, more shuttle buses and better transit systems connecting with places off Cape Cod, as well as better pedestrian facilities and integrated public transportation systems on the islands so that passengers walking off the vessels will have a way to get around. For example, over the next ten years there will be a 40% to 65% increase in the demand for parking spaces on the mainland for park-and-ride passengers traveling to Martha's Vineyard. Mr. Savage noted that this demand will translate into the need for 2,000 additional parking spaces, or an average of 200 more spaces each and every year. During the same time period, the demand for parking spaces in Hyannis will increase by fifty percent, the equivalent of 300 additional spaces, assuming that Hy-Line will be able to accommodate a similar increase in the need for its services.

Observing that the Woods Hole terminal was already very constrained, Mr. Savage suggested that the Authority might want to consider relocating its administration and maintenance functions elsewhere, so that as much space as possible in Woods Hole could be used for directly serving the public. More thought would also have to be given with respect to the integration of cars, shuttle buses and passengers, and how the Authority will quickly get them on and off its vessels. By contrast, it appeared to Mr. Savage that the new Hyannis terminal facilities would be able to handle the expected growth in traffic over the next ten years, although he felt that the congestion in Vineyard Haven would result in more traffic going to Oak Bluffs, which would require a major upgrade of that terminal as well.

In response to a question from Mr. Rappaport, Mr. Mahady stated that there was nothing in their research that indicated that there was any correlation between the Authority's suspension of guaranteed standby in the 1980's with any change in the economic growth on Martha's Vineyard. Mr. Mahady also emphasized that the growth on each of the islands which was being projected by the local planning agencies would be extremely difficult to control because it was being driven by a lot of small individual transactions as opposed to the development of a few huge subdivisions or commercial real estate projects.

In this regard, Mr. Savage again stated that their forecasts were of what the demand will be in the future for the Authority's services. If the Authority chose to meet a little less than that demand, the public will make adjustments and take other modes of transportation. However, Mr. Savage cautioned, if the Authority fails to accommodate a significant amount of that demand, a lot of pain will accrue primarily to island residents, as opposed to tourists who can simply choose to travel somewhere else.



After the conclusion of the presentation by Messrs. Savage and Mahady, Mr. Rappaport commented that the other subjects then being addressed by the Members, such as whether a reservations-only system or guaranteed standby was the better way of getting people back and forth, were really small issues compared to the ultimate issue of what limitations on service should exist and where the islands were going in terms of growth. Mr. Rappaport declared that KJS had presented a sobering forecasting model and, in the absence of restraints on growth, showed that the islands were heading beyond what he thought they could accommodate given their infrastructures. Therefore, Mr. Rappaport said, he saw this as a call to both islands to immediately begin working to try to take steps to address growth and to tell the Authority what limits on service they want so that the Authority can best respond. Mr. Rappaport stated that the concept of unrestrained growth was something which neither island should permit to happen, and that the Authority needed direction from the islands' selectmen and planning agencies because it would be shirking responsibility to allow unrestrained growth to continue to occur.

Agreeing with Mr. Rappaport, Mrs. Grossman observed that everyone realized that the kind of growth being forecast could not be allowed to occur because it would change the whole character and quality of life on the two fragile islands. However, Mrs. Grossman said, it was up to the islands to tell the Authority how they want ferry traffic restricted.

**IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to request management to meet with the Martha's Vineyard Commission, the All-Island Selectmen's Association, the Nantucket Planning & Development Council and the Nantucket Selectmen over the next ninety days to share the statistical model with them and to urge a forum in which the Authority can obtain their guidance as to what sort of service levels the islands would like the Authority to provide so that the Authority can then respond.**

**VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport**

**VOTING NAY: None**

Automated Reservation and Ticketing System:

With respect to the Authority's new Automated Reservation and Ticketing System, Mr. Tiberio reported that management was finalizing negotiations for a contract with Saber Technologies, Inc. to develop and install the system by December 1, 1996. Mr. Tiberio also reported that, despite the lack of an signed agreement to date, the contractor had been working diligently over the prior few weeks adding features to its software package that were specified by the Authority in its request for proposals.

In response to a question from Mr. O'Brien, Ms. Barboza confirmed that she had originally evaluated Saber Technologies' proposal as not being advantageous for the Authority, but that she had evaluated the proposal before the contractor had demonstrated its capability of adding a wait listing feature to its software. Ms. Barboza stated that she feels a lot better about Saber Technologies now, and that she believes it can carry through with the project.

Express Reservation Program:

Mr. Tiberio then recounted how the Members, at their last meeting on August 29, 1996, had approved a set of recommendations regarding the further implementation of the Express Reservations Program during the 1997 summer season and other changes to the Authority's reservations policies and procedures, subject to further refinement after consideration of comments and issues that had been raised by the public at that meeting. Mr. Tiberio said that, after reviewing those issues and others that had been raised by a number of letters subsequently received on the subject, management was presenting the Members with a modified set of recommendations, as set forth in Staff Summary #GM-352, dated September 23, 1996, for their approval. Mr. Tiberio then summarized the changes, as well as the reasons therefor, that were contained in the modified set of recommendations.

After Mr. Tiberio outlined the proposed changes to the program, Mr. Murphy declared that he could not support the "multiple reservations" policy described in paragraph 4 of the recommendations because it did not create a level playing field for everyone seeking to make a reservation, and effectively took care of a special interest group comprised of large condominium, rooming house and hotel owners at the expense of individual homeowners who depend on their rental income but don't have a track record of making multiple reservations. In addition, Mr. Murphy said, in the event the Authority were to adopt such a policy, he thought that giving persons who make multiple reserva-

tions until April 30, 1997 to identify who will use them was too long a time and unfair to the rest of the public. Mr. Murphy stated that he had great concerns about that provision and asked that it be looked at further before being voted on and implemented.

Saying that he agreed with Mr. Murphy's comments entirely, and after being advised by Ms. Barboza that the deadline for acting on the "multiple reservations" provisions in paragraph 4 was the end of October 1996, Mr. Rappaport suggested that the Members approve the proposed set of recommendations except for the "multiple reservations" provisions, and that they defer that issue until the following month so that management could meet with the public to determine whether it would actually provide a measurable benefit. Mrs. Grossman also suggested that the concerns raised by that paragraph might be alleviated if the finalization date for persons making multiple reservations were changed from April 30, 1997 to February 23, 1997.

Mr. Rappaport also requested that the words "an emergency" be deleted from paragraphs 2(D) and 3(C)(b) of the recommendations, noting that many people rent automobiles on a regular basis when traveling on vacation to Martha's Vineyard and do not know their rental cars' vehicle registration numbers at the time they make their reservations. Finally, Mr. Kelleher suggested that the Resident Preferred Space Reservation Application form be revised to take care of those situations where bills are addressed to post office boxes instead of the residents' homes.

**IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to approve management's modified set of recommendations pertaining to the 1997 Reservations Program, as set forth in Staff Summary #GM-352, dated September 23, 1996, with the following modifications:**

- (a) the words "an emergency" shall be deleted from paragraphs 2(D) and 3(C)(b); and**
- (b) consideration of the provisions of paragraph 4 shall be deferred until the Members' next meeting on October 31, 1996.**

**VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport**

**VOTING NAY: None**

After voting on the recommendations, Mr. Rappaport observed that the public had received a lot of misinformation about the program, and he suggested that management develop as soon as possible a fact sheet about what the program provides for publication in the newspapers.

1997 Service Operating Schedules:

Mr. Tiberio then briefly reviewed management's proposed 1997 operating schedules, as set forth in Staff Summary #CS-001, dated September 23, 1996, noting that, under those schedules, the Authority essentially will provide the same levels of service that it was providing this past year. It will continue the practice of running two large vessels to Martha's Vineyard during the winter; the summer schedule for both islands will be extended through Columbus Day; and freight service between Hyannis and Nantucket will begin on March 11, 1997.

In response to a question from Mr. Murphy, Mr. Tiberio stated that the proposed schedules did not necessarily reflect what the proper level of service should be for the islands. Rather, they reflected the Authority's total capability, which could not be increased any further without expanding the vessels' operating days. While acknowledging that the Authority was taking a major risk in thus committing all of its vessels during the summer, Mr. Tiberio said that he simply did not see any other option.

With respect to the schedules themselves, Mr. Murphy asked management to consider starting the M/V Gay Head at 8:00 a.m. instead of 7:45 a.m. during the summer schedule so that it would not have to hang off the dock in Oak Bluffs for fifteen to thirty minutes each day waiting for the M/V Martha's Vineyard to depart. Mr. Rappaport also observed that, although the Authority was providing the same level of service as in 1996, it was considerably expanding the number of trips which will be available for reservations, thereby addressing some of the concerns that had been raised about the Authority's new reservations-only policy.

In response to a question from Mr. Rappaport, Mr. Tiberio reported that the Authority would be able to provide service between Martha's Vineyard and Nantucket on November 23, 1996 to take fans and parents to the football game between the islands. Mr. Tiberio said that the M/V Nantucket would be diverted for that purpose from its normal run between Woods Hole and Vineyard Haven, and that the Authority would add a second freight vessel to that route for sixteen hours that day. Mr. Tiberio also stated that the Authority would only charge around \$5,000 for



making the service available for the football game, which represented the Authority's cost of providing the service. The Members then agreed that one of the Authority's goals should be to provide service for the inter-island football game every year.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to approve management's proposed 1997 operating schedules, as set forth in Staff Summary #CS-001, dated September 23, 1996.

VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Hyannis Terminal Reconstruction Project:

With respect to the Hyannis Terminal Reconstruction Project, Mr. Tiberio reported that the damaged concrete plaza would be removed shortly and replaced before next Spring, and that the project was still scheduled to be completed by April 29, 1997. The Members then complimented Hyannis Terminal Manager James Rubino and his staff for the excellent job they had performed that summer despite the working conditions and construction activities taking place at the terminal.

Temporary Replacement for M/V Grey Lady:

Mr. Tiberio advised the Members that Hy-Line Cruises would be hauling the Grey Lady during the last week of October or the first week of November 1996, and had asked for permission to replace the vessel in service between Hyannis and Nantucket during that time with the Friendship V, retaining the same 40-passenger restriction on its capacity. The Members agreed to the request, although they felt that no formal vote on the subject was necessary.

General Manager's Performance Evaluation Process:

The Members then considered the recommendations regarding the General Manager's performance evaluation process that had been made by Messrs. Beach, O'Brien and Kelleher in their memorandum dated September 25, 1996. While saying that he had no

problems with the goals and objectives or the evaluation form contained in the materials, Mr. Rappaport stated that he believed the Finance Advisory Board should be included in the evaluation process; that instead of beginning the evaluation process each March, the evaluation forms should be provided to the Members in May and dealt with at their June meeting; and that he felt there was no need for a mid-year review because of the monthly meetings and updates received by the Members.

With respect to the desirability of a mid-year review, Mr. O'Brien observed that most managers liked that protection, even though they might be meeting with their boards as often as daily, so that they are not blindsided at the end of the year with something that has not been reviewed. In response to a question from Mr. O'Brien, Mr. Tiberio also stated that he thought some kind of a mid-year discussion would be valuable, although it did not necessarily have to be formalized. He observed that while it might be redundant of ongoing discussions, holding a mid-year review did not appear to be cumbersome and would provide an opportunity both for him to identify major obstacles that might prevent certain objectives from being accomplished and for the Members to communicate with him.

**IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mrs. Grossman -- to approve the General Manager's Performance Evaluation Process, as set forth in the memorandum by Messrs. Beach, O'Brien and Kelleher, dated September 25, 1996, with the following revisions:**

- (1) to include the Finance Advisory Board in the evaluation process;**
- (2) to eliminate the mid-year review; and**
- (3) instead of beginning the evaluation process each March, to have the evaluation forms provided to the Members and the Finance Advisory Board in May and dealt with at the June meeting.**

**VOTING AYE: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport**

**VOTING NAY: None**

Treasurer's Report:

Mr. Lamson reported that the Authority's net operating income for the first eight months of 1996 was about \$488,000 lower than the original budget projections, due primarily to lower than expected operating revenues. As a result, Mr. Lamson said, the Authority was running \$488,000 behind its projected net operating income of \$1,061,000 for the 1996 calendar year, and that, if it is able to meet its original budget projections for the remaining four months of 1996, the Authority would finish the year with a net operating income of \$573,000.

Mr. Lamson also stated that the Authority could lose further ground in September due to Hurricane Edouard, and that he did not believe the Authority could make up the kind of revenue loss it had already experienced. Therefore, although there would be no assessment on the Authority's port communities, Mr. Lamson said that he could not rule out the possibility of a deficit that year.

Procurements:

Mr. Tiberio then reported that management had rejected all bids that had been submitted for the reconstruction of the Yarmouth Road Parking Lot in Hyannis because the amount of the lowest bid was approximately \$100,000 more than the cost estimate for the project. Mr. Tiberio stated that, in an effort to reduce the cost of the project to the current estimate of \$486,000, management would be issuing a new invitation for bids after it separates the work into two contracts and downsizes the proposed building to be essentially a rest stop facility with restrooms.

Mr. Tiberio also reported that Thames Shipyard was the low bidder for work associated with the drydocking of the M/V Martha's Vineyard. Mr. Tiberio said that because the bid was within budget and below \$100,000, the Members did not need to approve the award of the contract.

Land Transportation Planning:

The Members then agreed to make public Mr. Sayers' legal opinion regarding the Authority's ability to participate in land transportation planning and operations on Martha's Vineyard, noting that it would be of assistance to the public because it makes clear the parameters within which the Authority can participate in park-and-ride programs and assist local communities

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with their transportation needs. The Members also noted that it was Mr. Sayers' opinion that the Authority could not legally give \$150,000 to fund a planning position for another public agency. In response to a request from Mr. Asendorf, Mr. Sayers said that he would also prepare a summary of his opinion for use by the Members.

1996 Meeting Date Changes:

The Members agreed to reschedule their October meeting to 10:00 a.m. on October 31, 1996 in Woods Hole, and their December meeting to 1:00 p.m. on December 19, 1996 in Nantucket.

Old and New Business:

IT WAS VOTED -- on Mr. Rappaport'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: Mr. Kelleher, Mrs. Grossman and  
Mr. Rappaport

VOTING NAY: None

Before the Members voted to go into executive session at approximately 11:35 a.m., Mr. Kelleher stated that the Members would not reconvene in public after the conclusion of the executive session.

A TRUE RECORD



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RONALD H. RAPPAPORT, Secretary