

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

The Meeting in Public Session

October 9, 1997

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 9th day of October, 1997, beginning at 10:00 a.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Authority's Members: Chairman Grace S. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary Paul R. Kelleher of Falmouth; 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 Services Manager Gina Barboza; and Executive Secretary to the General Manager Maxine Horn.

Minutes:

IT WAS VOTED -- upon Mr. Kelleher's motion, seconded by Mr. Rappaport -- to approve the minutes of the Members' meeting in public session on September 24, 1997.

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

VOTING NAY: None

The Motor Vessel Governor:

Mr. Tiberio announced that, due to the efforts of U.S. Representative William Delahunt (and in particular Mark Forest of Representative Delahunt's office), the Authority was acquiring a new freight vessel called the *Governor*, which the U.S. Coast Guard was making available to the Authority as surplus property at no cost due to the closing of the Coast Guard's facilities on Governor's Island in New York. Mr. Tiberio stated that the *Governor* (which was built in the mid-1950's, is 242 feet long, and is double-ended) was more than adequate to serve the Authority's needs for additional freight capacity while the *Katama* and the *Gay Head* undergo their conversion work beginning next year. After those conversion projects are completed, Mr. Tiberio said, the *Governor* will continue to serve the Authority as a back-up vessel, although, because she is double-ended, she will be able to operate only on the Martha's Vineyard route. Finally, Mr. Tiberio reported that the Authority would be taking actual possession of the vessel within the following three weeks.

The Members then thanked Mr. Forest for both his and Representative Delahunt's efforts on behalf of the Authority, declaring that their work was public service at its best. In response, Mr. Forest expressed the excitement of Representative Delahunt's office over their success in obtaining the *Governor* for the Authority, noting that there had been a fair amount of interest for the vessel. Mr. Forest also assured the Members that they would continue to look for other vessels for the Authority that might become available in the future.

1998 Operating Budget:

Mr. Tiberio then reviewed the management staff's proposed operating budget for the 1998 calendar year, as set forth in Staff Summary #A-361, dated October 3, 1997. Noting that the proposed \$41,580,000 budget reflected a 3.9% increase in the cost of service from 1997, Mr. Tiberio stated that, if the budget were adopted, the management staff had estimated that the Authority would need to raise an additional revenues of approximately \$1,800,000 through rate increases.

Mr. Tiberio also reported that the management staff had done just about everything it could to keep 1998 costs equal to, or in some cases less than, what the Authority was experiencing in 1997. However, the 1998 budget still

reflected an overall increase due to certain built-in labor cost increases that the Authority was contractually obligated to honor, as well as increases in the Customer Services area. Indeed, as Mr. O'Brien observed, approximately thirty percent of the budget's total increase from 1997 was attributable to increases in the Customer Services area, such as the decision to increase the staffing of the Reservations Bureau for more telephone coverage and to undertake a more aggressive advertising program in order to recapture the passengers the Authority had lost over the previous years.

Mr. Rappaport then commented that, in the past, the Authority did not have as much need to increase rates on an annual basis because yearly cost increases were repeatedly funded through consistent increases in traffic levels. However, Mr. Rappaport noted that the Authority had not seen an increase in traffic that year and similarly did not expect to see any increase in traffic in 1998. Therefore, he observed that, in the future as the Authority's traffic levels remain relatively flat and costs continue to increase, the Authority will have to begin taking a harder look at controlling costs each year and investigating alternative sources of revenue so that rate increases will be able to be kept within manageable levels.

Nevertheless, both Mr. Rappaport and Mr. Kelleher declared that they felt that the increase in the management staff's proposed operating budget for 1998 was justified. However, Mr. Kelleher expressed his concern over how the Authority should fund that increase, declaring that the Authority should make certain that it does not continue providing certain services at a loss.

Mr. Beach then discussed the number of complaints he had received from passengers who were unable to sit down on the Authority's vessels because other passengers were using the benches for their luggage. Mr. Beach declared that the Purser or other uniformed crew members should walk around the passenger areas at all times to see what they can do to help customers and be more cordial.

Mrs. Grossman agreed, saying that bad economic times were not the only reason why the Authority was losing customers. Mrs. Grossman emphasized that the Authority had to make certain that its passengers have a good experience on its vessels and are given their money's worth in a very gracious way.

Finally, Mr. Murphy stated that the Finance Advisory Board supported the management staff's proposed 1998 operating budget.

IT WAS VOTED -- on Mr. O'Brien's motion, seconded by Mr. Rappaport -- to approve the management staff's proposed 1998 Operating Budget, as set forth in Staff Summary #A-361, dated October 3, 1997.

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

VOTING NAY: None

1998 Rate Adjustments:

Mr. Tiberio then reviewed the management staff's proposed 1998 rate adjustments, as set forth in Staff Summary #A-362, dated October 3, 1997. Mr. Tiberio stated that three different options were presented in the staff summary for the Members' consideration that were designed to raise the additional \$1,800,000 in revenue needed to fund the 1998 operating budget. None of the options contained any rate increases for passengers. Instead, they represented different mixes of rate increases among automobile fares, freight fares and parking rates. Mr. Tiberio said that the management staff was recommending the mix of rate increases set forth in Option B.

Mr. Lamson then explained the management staff's reasons for their proposed increases in the island excursion rates. In this regard, Mr. Lamson noted that the excursion rates, which are for round trip automobile travel originating from the islands, include passenger fares for two adult and two children. After subtracting the two adult passenger fares from the excursion rates, the net one-way automobile excursion rate on the Martha's Vineyard route was \$5.00 during the winter, \$6.00 during the shoulder seasons and \$19.00 during the summer, as compared to the regular one-way automobile rates during those same periods of \$20.00, \$27.00 and \$44.00, respectively. Similarly, the net one-way automobile excursion rate on the Nantucket route was \$16.50 during the winter and shoulder seasons, and \$38.50 during the summer, compared to the regular one-way automobile rates of \$55.00 during the winter, \$77.00 during the shoulder seasons and \$101.00 during the summer. Mr. Lamson stated that the management staff eventually would like to have customers pay for their passenger tickets separately (thereby having the excursion rates apply only to automobiles), and to increase the automobile

excursion rates so that they are equal to fifty percent (50%) of the regular automobile rates.

After Mr. Lamson's statements, Mr. Beach announced that the Finance Advisory Board was unanimous in its very strong recommendation that the Members adopt the rate adjustments as set forth in the management staff's proposed Option B.

Mr. Kelleher also agreed with that recommendation, saying that he was concerned not only about the loopholes in the system that allowed people to abuse the availability of excursion rates, but also about the Authority's practice of setting an excursion rate that simply did not cover the cost of providing that service. (Indeed, Mr. Kelleher noted, even if the Authority's vessels were filled to capacity with automobiles traveling on excursion rates, the Authority would still lose money.) In this regard, Mr. Kelleher observed that, on an annual basis, 37% of the vehicles carried by the Authority traveled on excursion rates, and that the percentage increased to more than two-thirds during the off-season. While he acknowledged that some accommodation needed to be given to island residents, Mr. Kelleher declared that the Members still had an obligation to ensure that the Authority's operations were conducted in a fiscally responsible manner. Therefore, Mr. Kelleher said, it was time for the Members to address this difficult subject and begin to increase the excursion fares up to fifty percent of the regular rates.

Mrs. Grossman disagreed and, speaking as an islander, said that people who live on the mainland simply did not understand the problems of living on an island, particularly one that was thirty miles out to sea. Mrs. Grossman described how practically everything on the islands was more expensive than on the mainland and then, when average island residents have to see doctors or dentists, or have to take their children to school, what a true hardship and sacrifice it is for them to travel off-island, often being required to stay overnight on the way to their destinations.

Accordingly, Mrs. Grossman declared that she would prefer not to have any increases in the off-season excursion rates and to make up the revenue by increasing the regular summer automobile rates even further than what had been proposed by the management staff. Mrs. Grossman expressed her opinion that summer visitors would be willing to pay that additional amount and, if they didn't, they would still be able to leave their cars on the mainland, which was what the Authority was encouraging them to do anyway.

Mr. Rappaport acknowledged that, from a business standpoint, the management staff was correct in proposing to increase the island excursion rates to address the Authority's financial interests and abuses of the existing policy; but he declared that he nevertheless totally shared the sentiments expressed by Mrs. Grossman. Accordingly, Mr. Rappaport agreed with Mrs. Grossman that the Authority should not increase any of the excursion rates during the off-season, which was the time of year when island residents most needed to travel, and should instead obtain the additional revenue through larger increases in the regular summer automobile rates. Mr. Rappaport also suggested that excursion rates be made available only to island residents; that the travel period for the Martha's Vineyard off-season excursion rate be extended to sixteen days, which was the same travel period that existed for the Nantucket excursion fares; that the annual price for a Woods Hole/Hyannis parking permit be increased only to \$550 instead of \$600; and that the 50% discount for trucks carrying fresh fruits and vegetables, fresh fish and shellfish, solid waste and recyclables from the islands not be eliminated, but rather reduced to a 25% discount effective July 1, 1998.

Although Mr. Kelleher stated that he certainly appreciated the island Members' point of view, he reiterated his concern that the Authority needed to slowly increase the excursion rates in order to reduce the price differential between those rates and the regular automobile rates. Mr. Kelleher then said that he could accept Mr. Rappaport's proposed modification of the discount for certain truck shipments originating from the islands, with the understanding that the public would now be on notice that the Authority was doing so with a view towards phasing out the entire discount over time.

Noting that approximately 70,000 cars travel back and forth to Martha's Vineyard annually on excursion rates, which was almost five times the number of year-round island residents, Mr. Asendorf observed that what was probably the most significant change being proposed by the Members was the limitation on the availability of excursion rates to island residents. But Mr. Asendorf said that it was unclear to him how the Authority would identify who in fact were island residents.

In response, Mr. Sayers stated that the Authority historically had defined island residents broadly to include any person who has a settled place of abode on the island, encompassing both year-round residents and summer residents. Mr. Sayers also said that the Authority already had a process in place at the Martha's Vineyard Airport Reservations Office to restrict the sale of "preferred" spaces to Martha's Vineyard residents and, in connection with that process,

had developed a profile form for execution by island residents attesting to the fact that they have a settled place of abode on Martha's Vineyard and providing proof of their residency. Mr. Sayers noted that the Authority might legally be able to differentiate between year-round residents and summer residents for some purposes, but the management staff did not feel that it was necessary at this time to make such a distinction and therefore had not recommended it.

Mr. Sayers also advised the Members that a person was not necessarily an island resident simply because he or she paid taxes there, although he recognized that a person's real estate tax bill may be evidence of a person's residency. Nor does the fact that someone pays taxes create an entitlement to preferential treatment, such as becoming eligible for excursion rates or "preferred" spaces. Rather, Mr. Sayers said, one of the purposes that the Authority was trying to accomplish by providing these preferences to island residents, who have a special need to get back and forth to their homes as opposed to simply going on vacation, was to provide them with the means of getting there in an economical way. Mr. Sayers further noted that the Authority also was thereby attempting to reduce traffic congestion and accomplish other purposes that previously had been discussed with the Martha's Vineyard Commission's Task Force on Transportation.

Mrs. Grossman also suggested that the Authority should begin to explore more creative ways of obtaining additional revenue, and that one possibility might be to sell canvas bags, prints, clothing and other similar items with the Authority's logo on the vessels.

Dukes County Commissioner Daniel Flynn stated that he thought the Authority's proposed 1998 operating budget was totally ludicrous, especially given the fact that the Authority had held no hearings on Martha's Vineyard or Nantucket to receive comments from the people whose livelihoods were being jeopardized by the rate increases. Specifically, Mr. Flynn declared, he thought that it was beyond reason for the Authority to increase any of the rates that were being charged for trucks carrying island products to the mainland, as farmers and fishermen were some of the few people on the island who were attempting to develop business interests that did not rely solely on tourism. Accordingly, Mr. Flynn asked the Members not to vote on the proposed budget until after it had been the subject of hearings on both islands

West Tisbury resident Virginia Jones also asked the Members not to reduce the discount for trucks carrying fresh produce and fish from the islands, saying that many of those farmers and fishermen already were struggling

financially. However, Ms. Jones said, she felt that trucks carrying solid waste and recyclables from the island should pay full fare.

Ms. Jones' sentiments were echoed by Vineyard and Falmouth resident Richard Sherman, who noted that it would be a hardship on island farmers and fishermen to be placed at a competitive disadvantage by having additional transportation costs that mainlanders did not have.

In response to their concerns, Mr. Asendorf suggested that the Members retain the 50% discount for trucks carrying fresh produce and fish from the islands, and make up the revenue by further reducing the discount given to trucks carrying solid waste and recyclables. While Mr. Rappaport agreed that the discount for fresh produce and fish should be retained, he felt that the discount for solid waste and recyclables should not be reduced any further given the uncertain impact it would have on those shippers.

In the end, Mr. Kelleher asked the management staff to try to find a better way of establishing rates in the future, such as possibly tying rate increases to the Consumer Price Index or some other index. Mr. Rappaport also expressed his agreement with Mr. Flynn's criticism that the Authority's proposed rates had not been available for the public to comment on prior to that day's meeting. In the future, Mr. Rappaport said, the Authority should hold public hearings on its rates as a matter of policy, given the significant impact they have on the island communities and traveling public.

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. O'Brien -- to approve the management staff's proposed rate adjustments effective January 1, 1998, as set forth in Option B of Staff Summary #A-362, dated October 3, 1997, with the following changes:

- (1) The round trip excursion rate for the Martha's Vineyard route shall remain at \$30.00 for the period of January 1st through March 14th (instead of increasing to \$31.00) and shall also remain at \$32.00 for the periods of March 15th through May 14th and October 15th through December 31st (instead of increasing to \$34.00);**
- (2) The round trip excursion rate for the Nantucket route shall remain at \$77.00 for the periods of March 15th**

through May 14th and October 15th through December 31st (instead of increasing to \$82.00), recognizing that there was no proposed increase in the \$77.00 rate for the period of January 1st through March 14th;

- (3) The sale of excursion tickets shall be limited to island residents;
- (4) The length of stay for off-season excursion tickets shall be extended to sixteen (16) days for both islands, which is the length of stay currently allowed for Nantucket excursion tickets;
- (5) The regular one-way automobile rate for the Martha's Vineyard route for the period of May 15th through October 14th shall be increased to \$47.00 (instead of increasing to only \$46.00);
- (6) The regular one-way automobile rate for the Nantucket route for the period of May 15th through October 14th shall be increased to \$110.00 (instead of increasing to only \$107.00);
- (7) The price for an annual permit for parking in the Woods Hole/Hyannis lots shall increase to \$550.00 (instead of increasing to \$600.00);
- (8) The 50% discount for trucks carrying shipments of fresh fruits and vegetables (including cranberries) or fresh fish and shellfish from the islands shall remain at 50% (instead of being eliminated effective July 1, 1998); and
- (9) The 50% discount for trucks carrying solid waste and recyclable shipments from the islands shall be reduced to a 25% discount effective July 1, 1998 (instead of being eliminated on that date).

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

VOTING NAY: None

Old and New Business:

In response to a question from Mr. Rappaport, Mr. Tiberio confirmed that a number of the freight vessels that previously had been scheduled to sail into Vineyard Haven on weekends during the 1998 summer schedule had been rerouted to Oak Bluffs. Mr. Rappaport also asked that the issue of what should be done with the drop-off shelter at the Vineyard Haven terminal be placed on the agenda of the Members' next meeting in November so that it could be finally resolved.

Mr. Sherman agreed with Mr. Beach's earlier comment that crew members on the Authority's vessels should walk around the vessels more and prevent passengers from using benches for luggage and sleeping. Mr. Sherman observed that many crew members now go below deck as soon as the cars are loaded.

Peter Fohlin, Executive Secretary for the Town of Tisbury, criticized the Authority for making changes to policies on the grounds that they are needed to prevent abuses of the system. In particular, Mr. Fohlin declared that he resented having to pay higher rates on his excursion tickets because a few people were abusing them, and the Authority was thereby shifting the responsibility for that abuse from the guilty minority to the burdened majority. Mr. Fohlin also suggested that the issue would go away in a heartbeat if the Authority instead handled excursion rates and resident preferences in a manner similar to the airlines' frequent flier programs.

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

VOTING NAY: None

October 9, 1997 Meeting
Minutes of the Public Session

Before the Members voted to go into executive session at approximately 11:50 a.m., Mrs. Grossman stated that the Members would reconvene in public after the conclusion of the executive session.

At approximately 1:38 p.m. that same day, the Members reconvened their meeting in public session in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Authority's Members: Chairman Grace S. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary Paul R. Kelleher of Falmouth; 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.

General Manager Armand L. Tiberio, Treasurer/Comptroller Wayne C. Lamson, and General Counsel Steven M. Sayers were also present.

At this time, the Members discussed their vote in executive session to authorize Mr. Tiberio to execute a Memorandum of Understanding with the Town of Barnstable, but no members of the public were present.

At approximately 2:00 p.m., Mrs. Grossman entertained a motion by Mr. Kelleher, which was seconded by Mr. O'Brien, to adjourn the meeting. The vote to do so was unanimous.

A TRUE RECORD


PAUL R. KELLEHER, Secretary

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

The Meeting in Public Session

November 20, 1997

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of November, 1997, beginning at 9:30 a.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts.

Present were all four of the Authority's Members: Chairman Grace S. Grossman of Nantucket; Vice Chairman Ronald H. Rappaport of Dukes County; Secretary Paul R. Kelleher of Falmouth; 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 Services Manager Gina Barboza; Engineering & Maintenance Manager James P. Swindler; and Executive Secretary to the General Manager Maxine Horn.

Mrs. Grossman began the meeting by announcing that this was the last meeting that Bergen Van Doren would be attending as the Town of Yarmouth's representative to the Authority, and that he would be missed. Mrs. Grossman also welcomed Mr. Van Doren's replacement, Theodore Galkowski, whose one-year term will expire on November 30, 1998.

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 October 9, 1997.

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

VOTING NAY: None

Hyannis Terminal Reconstruction Project:

Mr. Tiberio reported that the Hyannis Terminal Reconstruction Project was very close to being completed, and that the contractors were finally leaving the site. However, Mr. Tiberio said, the Authority still had to sheath the concrete mooring dolphins in timber piles, which had not been included as part of the original contract, and the staff was in the process of obtaining final designs and cost estimates for that work. Mr. Tiberio also stated that the staff would then review the cost implications and see whether similar work could be performed with respect to the dolphins in Nantucket harbor. Mr. Tiberio further advised the Members that there still remained a couple of unresolved issues with respect to the project, such as the damage that occurred as a result of the pile driving, and that he would be reporting back to them on these issues over the next few months.

Hyannis Harbor Channel Improvements:

With respect to the Hyannis Harbor Channel Improvements Project, Mr. Tiberio reported that the U.S. Army Corps of Engineers had awarded a contract to J. Cashman & Sons, Inc. to perform the work under the first phase of the project relative to constructing a new entrance channel from Nantucket Sound to the first turn in the outer harbor in order to provide the Authority with a straight, wide and deep approach for its vessels.

Results of the Passenger Surveys
Conducted by KJS Associates, Inc.:

Mr. Tiberio introduced Joseph Savage of KJS Associates, Inc., who made a formal presentation to the Members regarding the results of the passenger surveys his firm conducted for the Authority in April and August 1997. Due to the length of that presentation, the portion of the minutes pertaining to it is being prepared at a later time for subsequent approval by the Members.

Mainland Freight Facility:

Mr. Tiberio then presented the management staff's analysis on the feasibility of establishing an additional mainland freight facility. Mr. Tiberio stated that out of fifteen potential ports identified, the New Bedford waterfront stood out as the only port suitable for a mainland freight facility serving Martha's Vineyard and Nantucket. None of the other ports, including the Fairhaven waterfront on the same harbor, had the highway access and water depth needed for the proposed use. In the analysis, the staff also identified three sites in New Bedford that could potentially meet the Authority's needs (the Green and Wood pier, the Commonwealth Electric property and the State Pier), and Mr. Tiberio stated that the staff would continue working on the project over the next six to eight months to identify a preferred site, to explore the possibility of obtaining financial assistance from state and federal sources, and to analyze what the impact of operating from this port would have on the Authority's operations and the islands' cost of living.

Agreement with the Town of Barnstable:

Mr. Tiberio requested that the Members approve a proposed amendment to the two agreements that the Authority had entered into with the Town of Barnstable in 1992 and 1995. Noting that the Town already had approved the Authority's acquisition of the property which the Authority had been leasing from Benjamin Baxter, Jr. for the last 25 years, Mr. Tiberio stated that the proposed amendment was intended to address a number of other issues regarding the Authority's Hyannis operations and to outline an arrangement that recognized the Town's concerns regarding the direction in which the

Authority should proceed with respect to the handling of Nantucket's increased demands for freight.

Mr. Tiberio then summarized the important provisions of the proposed amendment, as follows:

- (a) It would allow the Authority to operate up to six freight trips per day (except for Fridays, Saturdays and Sundays from June 15th through September 15th, when the Authority will still only be allowed to operate three freight trips per day) as well as six vehicle/passenger ferry trips per day;
- (b) The length of the Authority's freight boats which can operate out of Hyannis would be increased to a maximum of 235 feet;
- (c) The Authority would be also allowed to use the terminal for a passenger-only vessel operation;
- (d) The Authority would agree to assist the Town in its acquisition and development of a new vehicle parking and vehicle staging facility that will be located north of Route 28;
- (e) The Authority would be able to allow the local commercial fishing boats to continue operating without unreasonable restrictions at the bulkhead at the end of Pleasant Street; and
- (f) The Authority would agree to work towards the development of an off-Cape freight terminal for Nantucket-bound freight trucks originating from locations other than Cape Cod and Eastern Massachusetts to handle future long term increases in freight traffic and hazardous cargo. In this regard, Mr. Tiberio said, the goal would be to commence construction of the new facility by the end of 2008, and then to return Hyannis freight traffic to a level that does not exceed the 1997 freight traffic levels. Further, if substantial progress were not made toward this goal by the end of 2003, the amendment would be considered null and void.

Although Mr. Rappaport acknowledged that he understood the practical restrictions which led to this proposed amendment, he nevertheless declared that he still had problems with it from a public policy point of view in two

respects. First, Mr. Rappaport said that he did not believe that the Authority should enter into the proposed amendment until after it conducts an economic analysis of the impact that an additional mainland freight terminal will have on the islands' cost of living; and that he felt the Authority was proceeding backwards by agreeing to the amendment before such an analysis was completed. Second, Mr. Rappaport stated that, in his opinion, the Authority should not enter into an amendment of this magnitude and which raised such significant public policy issues without first providing an opportunity for public comment and discussions.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Kelleher -- to approve the Amendment to the Agreements dated July 16, 1992 and February 27, 1995 between the Authority and the Town of Barnstable, in the form attached to Staff Summary #GM-370, dated November 13, 1997.

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

Vineyard Haven Terminal Passenger Drop-Off Shelter:

Mr. Tiberio then reported on the status of the public dispute surrounding the passenger drop-off shelter at the Vineyard Haven terminal. Mr. Tiberio said that, after numerous discussions with the community, the management staff was recommending that the Members approve two modifications to the shelter: To remove the eave overhang to prevent further damage to it by trucks that hit it when they come too close to the curb; and to reduce the total length of the shelter by somewhere between one-third to one-half in order to open up the view of the harbor from Main Street and the parking lot across Water Street. (Mr. Tiberio noted that the Tisbury Selectmen had unanimously requested the Authority to make this second modification.) However, Mr. Tiberio said, he still did not have a firm cost estimate for the work and, accordingly, he was asking the staff to develop a proposed final design and cost estimate before bringing the matter back to the Members in December for final approval.

Mr. Rappaport expressed his personal frustration with this subject, recounting how a design committee composed of four representatives from the Town of Tisbury (including the Chairman of the Board of Selectmen and the Chairman of the Planning Board) had fully supported the construction of the shelter after a number of public hearings and meetings. After going through this public process and spending public money for the structure, Mr. Rappaport said that he had difficulty approving the expenditure of additional public funds to change it, especially since it was his perception, based upon his discussions with Vineyard Haven Terminal Manager Bridget Tobin, that the shelter was in fact being utilized by the Authority's passengers on rainy days.

In response, Peter Fohlin, Executive Secretary for the Town of Tisbury, acknowledged that a public process was indeed followed that resulted in the construction of a structure which everyone thought at the time was the right thing to do. However, now that it is built, the shelter has turned out to be not what everyone foresaw because no one had anticipated that the structure would block the view of the waterfront. By contrast, Mr. Fohlin observed, the vast majority of the people who were detractors of the terminal building's design are now admirers of the building itself, which is a much greater success than people felt it was going to be as they were going through the public process. Thus, Mr. Fohlin argued, the Authority should simply acknowledge that, just as the terminal building is better than a lot of people expected, a much smaller part of the project did not quite turn out as well as everyone thought it would, and the Authority should take advantage of this opportunity to make a slight correction.

High Speed Passenger-Only Ferry Operations:

Mr. Tiberio reported that discussions were ongoing with New York Fast Ferry Services, Inc. regarding the possible use of one of its vessels in connection with the Authority's proposed high speed passenger-only pilot project for Nantucket, and that within the next month the management staff should either have an agreement negotiated with the company or know that such an agreement cannot be reached. In this regard, Mr. Tiberio noted that if the Authority wanted to initiate high speed passenger-only service for the 1998 summer season, it would be critical to secure a vessel within the following thirty to sixty days in order to have sufficient lead time to train the crew and outfit the vessel.

Proposed 1998 Meeting Dates:

Mr. Tiberio provided the Members with a list of proposed meeting dates for the 1998 calendar year and said that he would forward a recommendation next month as to which of those meetings should be held in locations other than Woods Hole. In this regard, Mr. Tiberio noted that the Members had agreed that the Authority should meet twice a year on each of the islands of Nantucket and Martha's Vineyard, and once a year in the Town of Barnstable.

Audit of the Authority's
1997 Financial Statements:

IT WAS VOTED -- upon Mr. Kelleher's motion, seconded by Mr. O'Brien -- to engage Deloitte & Touche for the audit of the Authority's financial statements for the year ending December 31, 1997, as proposed in Staff Summary #A-363, dated November 13, 1997.

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

VOTING NAY: None

Treasurer's Report:

Mr. Lamson reported that it appeared that the Authority's net operating income for the month of October would be approximately \$200,000 higher than the amount projected in the Authority's 1997 Operating Budget, which would result in the Authority's net operating income for the first ten months of 1997 being around \$700,000 to \$800,000 lower than the management staff's budget projections. Accordingly, Mr. Lamson stated, with two months remaining in the year, the Authority's net operating income for 1997 was expected to be a little over \$1,000,000.

Procurement:

IT WAS VOTED -- upon Mr. Kelleher's motion, seconded by Mr. Rappaport -- to award Contract No. 20-97 for dolphin and fender repairs at the Woods Hole and Hyannis terminals to the lowest responsible and eligible bidder for the contract, Linberg Marine, Inc., of Fairhaven, Massachusetts, for the Total Contract Price of \$105,000.00.

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

VOTING NAY: None

IT WAS VOTED -- upon Mr. Rappaport's motion, seconded by Mr. Kelleher -- to award Contract No. 25-97 for dolphin and fender repairs at the Vineyard Haven and Oak Bluffs terminals to the lowest responsible and eligible bidder for the contract, C. White Marine, Inc., of Danvers, Massachusetts, for the Total Contract Price of \$126,644.00.

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

VOTING NAY: None

Old and New Business:

Mr. Rappaport noted that he had received a number of complaints from customers who had not received the Authority's brochure regarding its advance reservations program in a timely fashion because they had been sent out by bulk mail. Saying that the customers' complaints were legitimate and justified, Mr. Rappaport asked the management staff to explore other methods of distributing the brochure in 1998 so that all of the Authority's customers receive them around the same time.

Mr. Tiberio reported that a crew had been sent to New York the prior week to conduct some sea trials with the *Governor* and to bring her to New London, Connecticut, where she was sitting at that time. Mr. Tiberio also said that another crew would be sent down within the next few days to bring the vessel into Massachusetts waters. However, because the Authority did not have a place to tie up the vessel in Woods Hole, Mr. Tiberio said that she would probably be docked in the Fall River area on a temporary basis.

Mr. Tiberio also stated that the management staff was in the process of preparing a scope of work for the modifications that would have to be made to the *Governor* in order for her to go into line service in March 1998, while the *Katama* was in the shipyard being refurbished. In this regard, Mr. Tiberio said that the bids for the *Katama* refurbishment work were scheduled to be opened within the next month so that the vessel would be back in Woods Hole by May or early June 1998.

Mr. Tiberio then reported that, in connection with the Authority's efforts to establish an off-site parking facility at the Massachusetts Military Reservation, the management staff had been working quite extensively with the Citizens' Working Group that had been established by Executive Secretary for Environmental Affairs Trudy Coxe to oversee the Master Plan for the Reservation and be the eyes and ears of the community. Mr. Tiberio said that the Authority had requested approval to proceed with the development of its parking facility outside of the Master Plan so that it could begin operating out of that location on a limited basis by the 1998 summer season, and that a meeting on the Authority's request was being held by the Citizens' Working Group the following day.

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

VOTING NAY: None

November 20, 1997 Meeting
Minutes of the Public Session

Before the Members voted to go into executive session at approximately 11:15 a.m., Mrs. Grossman stated that the Members would not reconvene in public after the conclusion of the executive session.

A TRUE RECORD



PAUL R. KELLEHER, Secretary