

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

The Meeting in Public Session

January 19, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of January, 2016, beginning at 9:30 a.m., in the Carriage House of the Woods Hole Oceanographic Institution's Quissett Campus, located at 360 Woods Hole Road, Falmouth, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County (who participated remotely by telephone conference call).

Port Council member Robert R. Jones of Barnstable was also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T.H. Claffey; Operations Manager Mark K. Rozum; Director of Engineering and Maintenance Carl R. Walker; Director of Marketing Kimberlee McHugh; Director of Human Resources Phillip J. Parent; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Mr. Hanover' Remote Participation in the Meeting:

Ms. Gladfelter announced that she had been notified by Mr. Hanover that he desired to participate remotely in this meeting because his geographic distance from Woods Hole made his physical attendance today unreasonably difficult. Ms. Gladfelter stated that she agreed with Mr. Hanover and that, as the Authority's Chairman, she had determined that Mr. Hanover's physical

attendance was unreasonably difficult due to his geographic distance from Woods Hole and that, therefore, he may participate remotely in this meeting, which includes voting on all matters. Ms. Gladfelter noted that Mr. Hanover would be doing so by telephone conference call, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Finally, Ms. Gladfelter announced that, due to Mr. Hanover's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

The Year 2015:

Ms. Gladfelter thanked Mr. Hanover, all of her other fellow Members, the staff and all of the Authority's 695 other employees for making 2015 a successful year for the Authority, and she briefly described some of the Authority's accomplishments last year as set forth in Appendix A to these minutes.

Minutes:

Ms. Gladfelter asked that the first sentence on of page 13 of the minutes of the Authority's meeting in public session on December 15, 2015 be corrected to reflect that Mr. Hanover had stated that he would like the staff to pursue the trash barging operation vigorously rather than the entire subject of freight service between New Bedford and Martha's Vineyard.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to approve the corrected minutes of the Members' meeting in public session on December 15, 2015.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for November 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 8.1%), more automobiles (up 3.8%) and more trucks (up 10.7%) during the month than it had carried during the same month in 2014. Mr. Lamson also reported that the Authority's operating revenues and other income in November 2015 were \$740,000 higher than projected, and that its operating expenses and fixed charges were \$248,000 lower than budgeted, primarily due to the continuing slide in oil prices (resulting in the Authority's average cost per gallon of fuel oil being around half of what it was projected in October 2014 to be for the 2015 calendar year). As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$2,444,000, approximately \$988,000 lower than projected. Mr. Lamson further reported that, for the first eleven months of 2015, the Authority's operating revenues and other income had been around \$5,282,000 higher than projected, its operating expenses and fixed charges had been around \$2,172,000 lower than budgeted (with its vessel fuel expense being \$3,608,000 lower than budgeted) and, as a result, the Authority's net operating income had been around \$14,161,000, approximately \$7,454,000 higher than the amount projected in the Authority's 2015 operating budget.

Finally, Mr. Lamson reported that, as a result of higher than anticipated operating revenues and lower than projected expenses, the Authority transferred an additional \$6,850,000 to its Replacement Fund, Reserve Fund and Bond Redemption Account this past year, and he noted that the additional money will be able to be used for future capital projects that the Authority otherwise would have to defer or finance through the issuance of bonds.

Construction of the *M/V Woods Hole*:

Mr. Lamson reported that the construction of the *M/V Woods Hole* was continuing to proceed at a pretty good clip, and he recounted how, just prior to last month's Authority meeting, he had received an updated construction schedule from Conrad Shipyard with a projected delivery date for the vessel of May 27, 2016 instead of its original delivery date of April 29, 2016. Since then, Mr. Lamson said, Conrad has notified the Authority that the Governor of Louisiana has declared a state of emergency due to the imminent threat of flooding along the Mississippi River and other state bodies of water, including the Atchafalaya River where Conrad's Morgan City shipyard is located.

Mr. Lamson stated that, due to the anticipated flooding, which would have resulted in Conrad's Morgan City shipyard being underwater, the vessel has been moved to Conrad's Aluminum Shipyard in Amelia, Louisiana, and that he was informed that, while the vessel was towed downriver, it passed under the old highway bridge with only 2-½ feet of clearance. Mr. Lamson noted that, because this move originally had not been scheduled to take place until next month, Conrad has sent the Authority a potential Force Majeure notice and subsequently has added ten more days to its estimated completion date, which means that Conrad is now projecting that the vessel will be delivered on June 6, 2016. However, Mr. Lamson said, the staff was still somewhat optimistic that Conrad will be able to get back closer to the original delivery date as progress continues over the next 75 days.

Mr. Lamson stated that, while he did not attend the most recent monthly progress meeting because of the disruption involved with moving the vessel, he would be attending next month's meeting; but Mr. Lamson also emphasized that, from the staff's perspective, Conrad's production crew was doing everything they can to move the project along and that they appear to be making great progress despite some of the challenges they have faced with the delay in the delivery of certain materials. For example, Mr. Lamson said, Conrad was still waiting for the HVAC air handling units, windows (although some were starting to show up at the shipyard last week), and the pilot house and engine room consoles.

Mr. Lamson also noted that the vessel's delivery date could also be affected by how long the United States Coast Guard will take to issue a stability letter for the vessel after the results of the incline test are completed and submitted for review. In this regard, Mr. Lamson stated that he has been informed that the Coast Guard is currently taking four to five weeks to review such documents, and that Conrad's current schedule assumes that the Coast Guard will take six weeks to issue the vessel's stability letter so that the vessel can be issued a certificate of inspection.

Finally, Mr. Lamson reported that, to date, there only had been \$316,000 worth of change orders to Conrad's contract and that most of those change orders had been at the Authority's request, such as acquiring spare windows for the vessel. Mr. Lamson noted that this amount represents around one-third of the project's \$981,000 allowance for contingencies.

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

- Materials for the vessel. Mr. Walker stated that the air handling units for the HVAC system, as well as the engine room console, had been delivered to the shipyard the previous Friday, but that Conrad was still waiting for the windows and the pilot house console.
- Conrad's "Aluminum" shipyard in Amelia, Louisiana, where Mr. Walker stated the vessel will stay until the end of the project except for a visit of ten to fourteen days to Conrad's "Deepwater" shipyard in mid-February in order for the vessel to be dry-docked.
- Tarps around the pilot house, which has been painted out. Mr. Walker stated that Conrad employees planned to install insulation in the pilot house and that both the stacks and pilot house were in place on the vessel.
- The vessel's stern, which Mr. Walker noted was still sitting quite high in the water because Conrad still has a lot of weight to put on the boat.
- The bulbous bow, which Mr. Walker also noted was sitting quite high in the water. Mr. Walker stated that the overall draft of the vessel was being evaluated because the vessel may be a little too buoyant at the bow, in which event some ballast may be put into it.
- The foremast on top of the pilot house.
- The sliding gate on the vessel's stern. Mr. Walker noted that the gate will be secured and have fencing in the middle, making it more secure than the nets that are placed across the sterns of the Authority's other freight boats.
- The freight deck with most of the vessel's equipment that was located at Conrad's Morgan City shipyard. Mr. Walker stated that, instead of moving the equipment off the boat, Conrad will keep the equipment on the freight deck until each piece is installed.
- The rescue boat davits.
- The engine room with piping, machinery and wires being installed and one of the main engines and gears boxed up.
- The pump and auxiliary rooms, with most of the piping complete.
- The exhaust stacks, which are complete from the generators.
- The 02 passenger deck with thermal installation installed, wires being pulled for lighting, and windows painted out.

- The 02 passenger deck with ventilation trunks, wiring and thermal insulation installed. Mr. Walker stated that there will be electrical and USB outlets at every seat.

After Mr. Walker stated that Conrad has come a long way and was moving rapidly along quite well, Ms. Tierney asked him whether he had an opinion as to when the vessel will be delivered. In response, Mr. Walker stated that it was going to be very close to the date Conrad had just given the Authority (June 6, 2016) and what Conrad had said before (May 27, 2016), and that it was not going to be close to the original delivery date of April 29, 2016. But Mr. Walker stated that Conrad was still doing everything it could to meet the original schedule.

Ms. Gladfelter then asked whether Conrad employees will still be able to get to work if there is major flooding in the area. In response, Mr. Walker stated that he could not answer that question, but he noted that the threat of flooding was passing, that the spillway to Conrad's Morgan City shipyard had not been opened, and that the shipyard had not been flooded out. Mr. Lamson further noted that, while Louisiana had not yet reached the high water mark of the anticipated flooding, which may require the opening of that spillway, the vessel had been moved away from that risk and that the Authority did not expect any issues with flooding from this point forward.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson recounted how the Authority had filed its Notice of Intent for the Woods Hole Terminal Reconstruction Project with the Falmouth Conservation Commission and that, because some questions had been raised about the project's plans at the Commission's November 18, 2015 hearing, the Commission had decided to engage the services of a consultant to review the plans. Meanwhile, Mr. Lamson said, the Authority submitted some supplemental information and is currently waiting on the Commission and their consultant to move the process along. Mr. Lamson further reported that the Authority was also in the process of applying for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, as well as a permit from the United States Army Corps of Engineers, before it moves forward with the final design and contract specifications for the project.

Mr. Lamson also noted that Bertaux + Iwerks Architects (BIA), together with their consultants, were expected to complete their schematic design report for the project by the end of February 2016, which will include an updated construction cost estimate based upon much more design and engineering than

what had been performed in connection with BIA's original feasibility study. However, Mr. Sayers informed the Members that the construction schedule was slipping a bit and that, while the feasibility study had projected that the entire project could be completed in six off-season phases, the design team had concluded that there was too much work in Phase 2 of the project to be completed within just one of those off-seasons. Mr. Sayers further stated that the design of the new General Offices was taking a little longer than expected and that, as a result, the construction contract for the new General Offices might not be awarded until the fall (rather than during the summer) and the building might not be completed until the end of 2017 (instead of by September 2017). In response to a question from Ms. Gladfelter, Mr. Sayers stated that the revised schedule now called for the entire project to be completed by the second quarter of 2023.

The Authority's New General Offices:

Mr. Lamson reported that Bertaux + Iwerks Architects (BIA) had completed their schematic design report for the Authority's new General Offices that will be located at the Palmer Avenue parking lot and that, based upon a very detailed cost estimate, the estimated cost of the new building is \$10,820,000 and the estimated cost of the site work is another \$1,370,000. Mr. Lamson noted that both of those cost estimates include a projected price escalation factor of 7.63% and a design contingency of 7%.

Mr. Lamson observed that a lot of the building's costs were begin driven by the Authority's information technology needs, and that the staff had been told that there are basically two ways to reduce the building's cost:

1. Reduce the size of the building, which could possibly save around \$680,000 if the building were shortened by 20 feet; or
2. Change the building's interior design to a more open office plan instead of having individual offices, which could save around \$1,000,000 by eliminating interior partitions and doors and using a less expensive (and less efficient) HVAC system.

Mr. Lamson also noted that the staff had compared the estimated cost of this building with the estimated cost of other public buildings of similar size and that the per-square-foot estimated cost of this building appeared to be at the lower end of the range. Accordingly, Mr. Lamson said, the staff was recommending that the Authority proceed with the size of the building as set

forth in the schematic design report, and that the Port Council had agreed with that recommendation at their January 6, 2016 meeting.

Mr. Lamson also reported that, after researching the possible benefits and detriments of going through and continuing to follow the Leadership in Energy and Environmental Design (LEED) certification process, the staff was recommending that the Authority use LEED as a design tool rather than undertake the additional costs and requirements to have the building LEED certified. In this way, Mr. Lamson said, the Authority will be able to make individual cost/benefit decisions with respect to each LEED measure, thereby reaping the many benefits of LEED without incurring the significant additional costs associated with getting the building LEED certified, and he noted that the money saved could be better spent on cost saving measures that do not count as credits toward LEED certification.

Ms. Tierney asked that staff consider having a more open interior office plan, observing that Citibank has found that it is able to manage its operations more efficiently with open office plans, which also are being recommended in business journals as the wave of the future. Ms. Tierney noted that studies have found that, by having stations instead of desks, employees find themselves working in a much more collaborative working environment. Ms. Tierney stated that, especially if the Authority can save \$1,000,000 by going with an open office plan, she did not want the staff simply to reject it without first looking at it more closely, and she noted that future employees who will be succeeding the current staff may prefer to work in an open office plan.

In response, Mr. Lamson stated that the staff had asked the Authority's mechanical, electrical and plumbing engineer what HVAC system he would recommend for the new General Offices building if the Authority were to go to an open office plan, and he had advised the staff that he would still want to stay with a "chilled beam" system because it is more efficient and results in a more comfortable atmosphere. Therefore, Mr. Lamson said, going to an open office plan probably would save the Authority only a few hundred thousand dollars due to the elimination of interior walls and partitions. Nevertheless, Ms. Tierney stated that she would like the staff to consider whether the building should have an open office plan for the purpose of creating a better working environment.

Mr. Lamson then noted that much of the interior office space already was designed to be open, such as the working space for employees in the Authority's Accounting Department. By contrast, Mr. Lamson said, in the alternative open office plan presented by BIA, only the General Manager, General Counsel and Director of Human Resources would have individual offices, and he felt that other staff members also needed the privacy of individual offices for meetings from

time to time. Therefore, while Mr. Lamson agreed that the current interior design might be opened up a little bit, he did not think it should be as open as the alternative presented by BIA.

Ms. Gladfelter stated that she felt the staff knows how they work as a group and as component parts of a group, and she agreed that there should be more than three private offices in the new building (although she noted that whether an employee should have an individual office depends upon the type of work that is done). Ms. Gladfelter also observed that, in the future, the open office plan might be considered to have been just another fad that didn't work. For these reasons, Ms. Gladfelter said, she would like the interior space to be designed so that it has flexibility, recognizing that the way employees work together may change over time.

Mr. O'Brien stated that he believed the staff had made the right decisions in not reducing the size of the building and not undertaking to get the building LEED certified, observing that the Authority would simply be wasting money if it were to attempt to cut the building's size at this point. Mr. O'Brien also stated that, as far as the interior office layout was concerned, he thought that should be a management decision, noting that the staff members are there every day and understand what takes place there and, accordingly, that they should be the ones who make the decision, not the Members.

In response, Ms. Tierney stated that she did not think the Authority should reject an open office plan without first looking at the studies that have been done about such plans, observing that the new building will be there for the next 50 years and the Authority had to look towards the future. Ms. Tierney declared that the Authority had to consider what will be a good working environment for its future employees, not just what its current employees prefer now, and that the Authority should see whether there might be better working environments out there rather than simply going with an office plan that the current employees are used to working in.

Mr. Jones stated that the Port Council had engaged in a similar discussion about the interior layout of the building during their meeting earlier that month, and had recommended that the staff consult with the employees who will be working there to find out what they want. Mr. Jones stated that the Port Council thought this was more appropriate than telling the employees what environment they should work in. Further, Mr. Jones said, he did not believe that any particular office plan would be locked in stone, but will be able to be changed based upon the needs of the people who work there.

In response to a question from Mr. O'Brien, Mr. Cloutier stated that the size of the meeting room in the new General Offices was based upon the second floor meeting room at the Hyannis terminal, which the staff believes works well for most of the Authority's meetings. However, Mr. O'Brien observed that, while the width of the Hyannis meeting room was fine, it needed to have more depth for some meetings, and that the new meeting room should be deeper than the Hyannis meeting room.

Information Technology Systems Improvements:

Ms. Claffey then reported that the staff was still in the midst of completing the open items and final testing of all of the changes that were made by the Authority's consultant, Aquitas, to the automated fix that the Authority received from IBM for the upgrades to its Maximo computerized maintenance management information system, and that the list of open items had been reduced from 25 to 15. Ms. Claffey stated that the staff expected to get through those open items so that they can proceed with planning the dates these changes will be migrated to the live Maximo system and the Authority can proceed with its additional user training

Ms. Claffey also reported that, on January 12, 2016, the Authority began accepting reservations from the general public (only by mail and over the internet) for travel during its 2016 summer operating schedule, and that more than 14,000 reservations had been made that day on the internet totaling more than \$3,200,000. Ms. Claffey noted that the majority of customers who have chosen to be on the waitlist have selected the Authority's new option of allowing their wait list requests to continue to be processed until noon the day before their scheduled sailings, instead of only until the traditional cut-off time of 48 hours before their scheduled sailings.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that the staff was continuing to investigate the problem the Authority is experiencing with stormwater runoff at its Thomas B. Landers Road parking facility and that they have been working with the lead engineering and contractor to find potential solutions to correct the problem. Mr. Lamson noted that some of the recent work has included infiltration testing, soil sampling and geoprobe testing, but that the Authority still had not received a report on the engineer's investigation and findings. Mr. Lamson stated that

some of the potential solutions being considered include the installation of subsurface infiltration structures, the installation of interceptor trenches, increasing the size of the easterly catch basins and possibly creating a small retention pond at the east end of the lot, which would eliminate 25 to 30 parking spaces. Finally, Mr. Lamson reported that he and Mr. Walker had another meeting scheduled the following day with both the engineer and the contractor to see if an agreement can be reached on potential actions to resolve the problem.

Ms. Gladfelter stated that, based upon the capital expenditure status report for the construction of the Thomas B. Landers Road parking facility, it appeared that almost \$1,000,000 already has been spent on this problem, and she asked who would be absorbing that cost. In response, Mr. Lamson stated that most of those additional costs were unrelated to this problem and were incurred for other reasons, and that the only additional cost related to this problem that has been authorized was the cost of installing additional catch basins in the amount of around \$100,000.¹ Mr. Lamson noted that the parties were still negotiating over who would be responsible for absorbing the additional costs of implementing a solution to the problem, and that he hoped they would reach an amicable solution so that the matter would not have to go to litigation.

Enforcing the Massachusetts “Anti-Idling” Law and
Early Morning Noise from the Woods Hole Terminal Operations:

Mr. Lamson reported that the staff had been working with the Authority’s regular freight shippers to reduce the noise from excess idling of trucks at the Woods Hole terminal, and that the steps which have been taken included the installation of additional signs around the terminal and revisions to past letters to the shippers with stronger instructions for them not to idle their engines at the terminal beyond what is allowed under the Massachusetts “Anti-Idling” Law. Mr. Lamson further reported that, in response to complaints from a Woods Hole resident starting in October 2015 about excessive noise from trucks backing up

¹ Reporter’s Note: Mr. Lamson was referring to the change order to the Authority’s contract with Lawrence-Lynch Corp. that the Members authorized at their August 18, 2015 meeting for the installation of seven additional drainage basins to collect stormwater on the property, in the amount of \$112,145.77. At that time, Mr. Lamson stated that the staff was still having discussions with Green Seal Environmental, Inc. about how much of this cost could have been avoided had these basins been included in the original design of the lot.

onto the early morning freight boat, the staff had look at what the Authority can do going forward to lessen the impact on its neighbors.

Mr. Lamson noted that one possible way to reduce early morning noise at the terminal would be to change the time of the first freight trip when trucks have to back onto the freight boat (rather than being able to drive straight on and then off the other end) from 5:30 a.m. to 6:15 a.m. But Mr. Lamson stated that, after investigating that possibility, the staff had concluded that it is too late to make that change for the schedule that starts on March 16, 2016. However, Mr. Lamson noted that, during the 2016 summer operating schedule, the freight boat assigned to make that 5:30 a.m. freight trip is a drive-through vessel and, as a result, beginning May 18, 2016, trucks won't have to back up to be loaded for that trip. In the meantime, Mr. Lamson said, the staff will continue to work with the Authority's regular freight shippers on that first trip to see if they can lower the decibel level of their trucks' back-up alarms, and the staff will also continue to take into account the concerns of the terminal's neighbors about excessive noise.

Mr. O'Brien observed that, although the staff was spending a lot of time on these issues, their efforts were resulting in some real improvements that could be made at all of the Authority's terminals, not just the Woods Hole terminal. Ms. Gladfelter agreed, and noted that Mr. Rozum had been implementing several of these changes at the Authority's other terminals as well.

Options for Freight Service between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that the staff was continuing to investigate the possible options for potential freight service between New Bedford and Martha's Vineyard, either by the Authority or a private carrier. Mr. Lamson also noted that the Authority still had a number of issues that need to be discussed and decided, including whether the service should be self-sustaining, and that the staff still needs to decide what type of schedule (as well as what type of service) would provide the best chance for success.

Mr. Lamson stated that, as part of this process, Mr. Davis had updated the estimates that previously had been prepared of what it might cost if the Authority were to provide the service, and the staff also has had preliminary discussions with a private carrier about what it might take in terms of a financial commitment to cover the carrier's vessel, crew and fuel costs if it were to provide the service. Mr. Lamson further stated that the staff wanted to see what facilities there are in New Bedford that might be able to be used to provide the service by

either the Authority or a private carrier, and that he hoped the staff can work their way through all of these questions and issues within the next three months so that they can present a list of potential options.

After Ms. Gladfelter noted that the staff needed to investigate what facilities are available not only in New Bedford, but on Martha's Vineyard as well, she stated that she wanted to make certain that the staff was looking into the potential for a full ferry service between New Bedford and Martha's Vineyard that will carry not just trucks, but also automobiles and passengers. In response, Mr. Lamson stated that he thought the goal of the potential service was to try to get as many trucks off of Woods Hole Road as possible, and he observed that such a goal might not be achieved if cars are also allowed to make reservations on trips between New Bedford and Martha's Vineyard.

But Ms. Gladfelter noted that each of the Authority's port communities might have different goals for this service and, for example, New Bedford's goals might be different from Falmouth's goals. In this regard, Ms. Gladfelter stated that the Falmouth Board of Selectmen had voted unanimously to strongly encourage the Authority to get trucks off of Woods Hole Road and that they recognize that, because the same number of trips are going to be operating from Woods Hole, there will be two or three more cars on Woods Hole Road for every truck that goes by way of New Bedford. Ms. Gladfelter stated that the Falmouth Board of Selectmen also recognize that something needs to be done in terms of separating freight shippers who are located on Cape Cod (who would continue to travel by way of Woods Hole) from freight shippers who are located off-Cape (who would travel by way of New Bedford). When Mr. Lamson observed that the Authority could not prohibit any freight shipper from traveling to or from a particular port, Ms. Gladfelter clarified that she referring to a system that simply encourages off-Cape freight shippers to travel by way of New Bedford instead of Woods Hole.

Ms. Gladfelter also stated that, with respect to asking that the service be a full ferry services instead of a strictly freight service, she was just trying to make certain that the staff develops a model that will have the best chance to succeed financially, noting that the Authority had been accused of deliberately designing its prior pilot freight service to fail. Therefore, Ms. Gladfelter said, she would like automobiles to be able to fill the spaces that otherwise are not filled by trucks.

Mr. Hanover stated that he agreed with Ms. Gladfelter to the extent that customers traveling on standby should be able to fill any empty spaces on a ferry traveling to New Bedford, but that the Authority would be going down a slippery slope if it allowed automobile as well as truck reservations to be made for that

ferry, saying that he thought the whole purpose of this service was to get trucks off of Woods Hole Road. Mr. Hanover also noted that allowing automobile reservations to be made for travel from New Bedford would adversely affect the amount of Falmouth's passenger embarkation fees, and he stated that it made more sense to try to get trucks coming from Rhode Island and Connecticut to travel by way of New Bedford. In addition, Mr. Hanover said, he did not believe that the Authority would be able to provide an economical ferry service from New Bedford, so the focus of the study should be on potential service by a private carrier who would hopefully be able to provide the service without any subsidies.

However, Ms. Tierney stated that she felt it was important to investigate all of the options and to look at the whole picture. Ms. Gladfelter agreed, saying that one of those options was not to limit the service strictly to commercial trucks.

Treasurer's Report:

Mr. Davis reported that the Authority's net operating loss for the month of December 2015 was expected to be around \$4,000,000, which was \$1,000,000 higher than what had been budgeted for the month. Mr. Davis stated that, although that month's revenues had been \$175,000 higher than projected and vessel fuel oil costs \$435,000 lower than projected, the Authority's maintenance expenses had been \$2,000,000 higher than budget estimates principally due to repair expenses for *M/V Martha's Vineyard* (\$120,000), the dry-dock of the *M/V Gay Head* (\$540,000) and the *M/V Governor* (\$320,000), the acquisition of engine parts for the *M/V Iyanough* (\$500,000) and dolphin and dock repairs at the Nantucket terminal (\$197,000). As a result, Mr. Davis said, the Authority's net operating income for the 2015 calendar year was expected to be around \$10,095,000, approximately \$6,500,000 higher than budgeted.

Mr. Davis then reported that, with respect to the Authority's "Ways to Save" promotions for the Nantucket route during 2015, the Authority had sold 7,948 ten-ride ticket books for the *M/V Iyanough* (up 10.3%), 4,828 1-3 day fast/slow combination tickets (up 4.7%), 1,317 fast ferry upgrade tickets (up 7.1%), 56,304 same-day fast ferry round-trip tickets from Hyannis (up 12.9%), 6,324 same-day fast ferry round-trip tickets from Nantucket (up 4.4%), and 827 SuperSaver vehicle tickets (one more than in 2014). Finally, Mr. Davis reported that the Authority had sold \$172,989 worth of gift cards (either new cards or additional amounts on existing cards), which represented a 6.3% increase in the amount of gift cards sold during the year, and that the Authority had sold around \$900,000 worth of gift cards since it began selling them several years ago.

In response to a question from Mr. O'Brien about how the anticipated continuing drop in fuel prices were going to affect the Authority, Mr. Davis stated that, although the Authority's fuel prices already have been hedged through the end of 2016 and into the first quarter of 2017, the Authority still continues to benefit from the lower price of fuel. In response to a question from Ms. Tierney, Mr. Davis stated that the average price of the hedges was around \$2.68 per gallon, which is higher than the current market price. Mr. Davis also noted that he had met with the Authority's consultant, Richard Larkin of Hedge Solutions, about the possibility of rolling down the Authority's hedges, but that they had concluded that there was not much of market for the Authority's current hedges. In addition, Mr. Davis said, before rolling down any of the Authority's hedges, he would want an opinion from the Authority's independent accountants, RSM LLP (formerly known as McGladrey LLP), confirming that those transactions would not be considered speculative investing and therefore would be exempt from being required to be reported as derivatives.

In response to a question from Mr. Hanover, Mr. Davis stated that the Authority's revenues during 2015 did exceed \$100,000,000, which Mr. Hanover observed was a milestone for the Authority.

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

Mr. Lamson then reported that, in accordance with the authorization that the Members had given him in November 2015, he had awarded Contract #27-15 – "Dry-Dock and Overhaul Services for the *M/V Eagle*," to Thames Shipyard and Repair Company, Inc. of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$759,300, and he noted that the vessel was currently in the shipyard undergoing its dry-dock and overhaul. Mr. Walker noted that the Authority's last three vessel dry-dock contracts had been awarded to Thames Shipyard and Repair Company and, in response to a question from Mr. O'Brien, confirmed that the Total Contract Price for this contract was for all of the items of work that had been included in the cost estimate for the contract.

Port Council's Report:

Mr. Jones reported that, at their meeting earlier in the month, the Port Council had discussed all of the matters that had been considered by the Members earlier in today's meeting.

Public Comment:

Woods Hole Community Association Co-President Catherine Bumpus thanked the Authority for participating in several meetings with Woods Hole residents about the 5:30 a.m. freight trip and early morning noise from the Woods Hole terminal operations. Ms. Bumpus noted that the scheduling of the 5:30 a.m. freight trip had expanded since it was first approved in 2011 for the 2012 summer operating schedule and that last year was the first time the 5:30 a.m. freight trip had run in the fall. Ms. Bumpus stated that, while she appreciated the Authority's efforts to mitigate the noise from trucks backing upon the freight boat, the boat that was originally assigned to run that trip was a drive-through vessel (which it still is during the summer), and having a back-on boat run that trip has certainly caused a number of concerns. Ms. Bumpus further noted that trucks are coming down Woods Hole Road at 4:00 to 4:30 in the morning to take that trip, and a lot of people are starting to notice that increase in the early morning traffic.

After Ms. Bumpus observed that the 5:30 a.m. freight trip was now being run during the Authority's early spring, spring, summer and fall operating schedules, she gave the Members a couple of letters from Woods Hole neighbors who could not be there that day. Ms. Bumpus then asked the Members to consider not running that boat in the future because it was starting to affect people's quality of life.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the Authority's operating schedules already have been approved for the entire 2016 calendar year, and that the staff would be presenting their preliminary version of the Authority's 2017 winter and spring operating schedules for discussion purposes only at the Members' June 2016 meeting. Mr. Lamson also stated that, when the staff develops their preliminary version of those schedules, they would certainly take into consideration the concerns of Woods Hole neighbors.

Martha Bridgers then stated that the 5:30 a.m. freight trip greatly affects her business, which is the Woods Hole Passage Bed & Breakfast Inn, during the spring and fall when her guests' windows are open. Ms. Bridgers stated that her

guests hear the traffic going down Woods Hole Road for that trip as early as 4:00 a.m. and that the noise was the number one complaint she receives. Accordingly, Ms. Bridgers said, she hoped that the Authority would consider not having the 5:30 a.m. freight trip anymore.

Ms. Bridgers further noted that the 5:30 a.m. freight trip also affects her personally, as well as her three children, who all live here in Woods Hole, and that they repeatedly hear truck drivers using their jake brakes so that their trucks don't run into her neighbor's yard. In this regard, Ms. Bridgers observed that, because there is no other traffic at that time of morning, trucks go faster down Woods Hole Road to make the 5:30 a.m. freight trip, and she did not appreciate the noise on Woods Hole Road due to that trip.

Woods Hole resident Nat Trumbull then stated that he echoed every last word of what he had just heard, and he observed that it is very hard to understand the Authority's schedules. Indeed, Mr. Trumbull said, the 5:30 a.m. freight trip is not even on the schedules that are posted on the Authority's website, and he asked what justification the Authority had for not including it. While Mr. Trumbull acknowledged that including freight trips on the posted schedules might result in some confusion among the Authority's passengers, he stated the Authority's neighbors would like to know when the freight boats are running. Mr. Trumbull also noted that for several years the Authority had not complied with its advertising obligations required by its enabling act, and he declared that, as the Authority's neighbors, Woods Hole residents deserve more information about the Authority's schedules.

Mr. Lamson noted that one of the reasons the Authority does not include its freight trips on its published schedules is that passengers often cannot travel on those trips due to the fact that the freight boats are carrying hazardous cargo or have reached their limited passenger capacity. Mr. Lamson stated that the Authority does not want customers to plan on taking those trips and then find out when they arrive at the terminal that they cannot go on them.

Mr. Lamson also noted that, last year, the Authority made available all of its operating schedules for the coming year, including the freight boat schedules, and that the staff was planning to make it clearer in the future what changes are being proposed from the existing schedules. In addition, Mr. Lamson recounted how the staff reviews their preliminary versions of all their proposed schedules at public meetings of both the Port Council and the Members; how reports of those discussion are sent out to the public; and how the staff then waits until the following month's public Authority meeting to ask for approval of those schedules. Mr. Lamson stated that, this coming year, the staff would also publish the proposed schedules after they are presented on a preliminary basis

so that the public can comment on them before they are approved by the Members.

Ms. Gladfelter also noted that the approved schedules will be posted on the website so that the public can access them. Mr. Lamson agreed, although he stated that the staff will have to make it clearer on those schedules which vessels have limited passenger capacity and which trips are unavailable for travel by the general public because they are hazardous cargo trips. Mr. Lamson further noted that customers will also need to be informed about when they can begin making reservations for trips on each of those schedules.

Mr. Sayers stated, in response to a question from Woods Hole resident Carol Wagner, that the proposed 2017 winter and spring operating schedules would be advertised in the newspapers sometime during the month of June 2016, and that the proposed 2017 summer and fall operating schedules would be advertised in the newspapers sometime during the month of August 2016. In addition, Mr. Sayers noted that the summaries of the Authority meetings for the months of June and August 2016 will show what was discussed with respect to those respective proposed schedules.

Mr. Trumbull then asked if the proposed schedules could be left on the Authority's website for a longer period of time, noting that the 2016 schedules had only been posted on the website for 13 days. In response, Mr. Sayers stated that the staff's plan was to post them promptly after the meeting when they are first discussed so that they will be up for 30 days until the final versions of the schedules are approved. Mr. Sayers also noted that they would be posted as proposed schedules on the website's News page.

Mr. Rozum stated that, in addition to not being able to carry passengers on freight boats when they are running hazardous-only trips, the Authority cannot carry passengers on those boats when, due to draft restrictions, their capacity is limited to 16 passengers. Mr. Lamson noted that this is yet another reason the Authority does not include its freight trips on its published schedules, saying that the Authority wants passengers to travel on its larger passenger/vehicle ferries instead of planning to travel on freight trips that are often not available for travel by the general public. However, Mr. Lamson acknowledged that the Authority accepts car reservations on many freight trips, particularly on weekends when fewer trucks are on the freight boats and, as a result, there are not any draft restrictions.

Mr. Rozum observed that freight trips are always subject to cancellation, as there are times when there is sufficient empty space on a larger passenger/vehicle ferry for all of the vehicles reserved on a freight trip that is scheduled to

run around the same time. In those instances, Mr. Rozum said, the Authority consolidates the two trips by moving the freight trip reservations to the larger ferry and canceling the freight trip to save fuel.

Ms. Gladfelter observed that many Falmouth residents, including herself, primarily read the *Falmouth Enterprise* and, accordingly, told Mr. Lamson that she would like the Authority to advertise its proposed operating schedules in that newspaper as well as in the *Cape Cod Times*. In response, Mr. Lamson stated that the staff would look at the enabling act's language to see what advertising requirements the Legislature had in mind. But Ms. Gladfelter repeated that she was just making a strong statement that she would like to see the Authority's proposed operating schedules advertised in the *Falmouth Enterprise* because she otherwise will not see them.

Authority vessel employee Stephane Robbins then observed that what the Authority was doing now with respect to its schedules works very well, as the Authority makes a lot of hazardous cargo trips that cannot have any passengers on them. Mr. Robbins recounted how passengers start to line up for a freight trip and then get very upset when they are told they can't travel on it, and that when a freight trip has a draft problem and he tells the terminal agent that the boat can't carry any passengers, "all hell breaks loose." Mr. Robbins noted that he has worked for the Authority for 28 years, and that he has worked on the freight boats for the last ten or eleven years, and he stated that the employees are there for the customers and try to make it the best they can, and what the Authority is doing works well with the schedules the Authority currently has.

Ms. Tierney observed that it was very nice to hear from an Authority employee who is "in the trenches" and she thanked Mr. Robbins for attending the meeting that day. Ms. Gladfelter further noted that the situation described by Mr. Robbins when passengers are told they cannot travel on a freight trip was something that he should not have to be dealing with.

Mr. Lamson then stated that the staff would have to see how the schedules with all of the Authority's trips should be posted on the Authority's website after they are approved by the Members so that there is no misunderstanding by the public as to what the travel restrictions might be. Ms. Bumpus suggested that those schedules, together with the Authority's previous schedules, could be posted in a PDF on the News page, observing that customers looking for schedules would be unlikely to go to that page. Rather, Ms. Bumpus said, people looking for specific information about the Authority can go to the News page, where the information is somewhat accessible. Ms. Bumpus also stated that she understood the reasoning behind not including freight trips on the Authority's published schedules, and that she was sympathetic.

At approximately 11:11 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the potential acquisition of property in Hyannis and the potential acquisition of property located at 31 Easy Street on Nantucket. After Ms. Gladfelter announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating positions, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and she announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

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

**The Meeting in Public Session
January 19, 2016**

**Chairman Elizabeth H. Gladfelter's List of
the Authority's Accomplishments in 2015**

A. Vessels.

1. The M/V Woods Hole:

Construction of the *M/V Woods Hole* is progressing well at Conrad Shipyard in Morgan City, Louisiana. The new vessel will begin service next year.

2. M/V Governor:

The SSA's decision to keep the *M/V Governor* in the fleet, allowing for a spare vessel and summer maintenance of a freight vessel

B. Terminal/ Port Facilities/ Parking.

1. Woods Hole Terminal Reconstruction Project:

The SSA received the MEPA certificate on the ENF it filed so that it can proceed with the permitting of the Woods Hole terminal reconstruction project. The first phase of construction could begin as soon as next fall. This also includes the construction of a new general office building in the Palmer Avenue parking lot.

2. Modular Building at the SSA's Fairhaven Vessel Maintenance Facility:

The new modular building at the SSA's Fairhaven Vessel Maintenance Facility was completed this year.

3. Thomas B. Landers Road Parking Facility:

The SSA's new 1,900-car parking facility off of Thomas B. Landers Road in Falmouth was completed this year, allowing the SSA to stop using two lots that it previously had used on Gifford Street. This has increased the efficiency of the SSA's parking and shuttle bus operations and reduced traffic congestion in downtown Falmouth.

4. Palmer Avenue Parking Lot Office Building:

A new building in the Palmer Avenue parking lot was completed this year. It will be used as an office and break room for the SSA's parking lot employees and will also house restrooms for our customers and an office for Avis and Budget Car Rental. SSA customers (and the general public) can now pick up and drop off rental cars there, and the SSA also receives a minimum of \$45,000 in annual rent from Avis.

5. Vineyard Haven Terminal Traffic Circulation Project:

The SSA completed traffic improvements at its Vineyard Haven terminal that had been requested by the Tisbury Traffic Planning Committee. The terminal improvements look great and everyone was quite pleased about the work.

6. Barnstable Municipal Airport Commission Leases:

The SSA renewed its leases with the Barnstable Municipal Airport Commission for its two parking lots on Brooks Road and Mary Dunn Way in Hyannis for another ten years.

7. Renewal of Lease for the Back Woods Hole Parking Lot:

The SSA renewed its lease with the Town of Falmouth for the back Woods Hole parking lot for five years, recognizing that the lot is a shared resource that will be used not only by SSA parking permit holders, but also bicyclists and pedestrians on the Shining Sea Bikepath and 40 employees of Woods Hole businesses who will be allowed to park in the lot for the first time.

C. Communications/Information Technologies.

1. Improvements to the Authority's WiFi Service:

The SSA has made substantial improvements to the quality of its free WiFi service on all of its vessels.

2. Text Messaging for Wait List Matches and Trip Cancellations:

The SSA implemented a new program that now allows its customers to receive notices of their wait list matches and trip cancellations by text

3. Continually Updating Wait List Matches:

The SSA's waitlist system is also now updating wait list matches continually throughout the day and notifying customers as each match is made.

4. Electronic Ticketing for Walk-on Passengers:

The SSA launched its updated mobile website that now allows its customers to buy their high-speed passenger tickets on their smart phones. This is the first step towards implementing the process for walk-on passengers on all of SSA's traditional ferries as well.

5. MAXIMO Computerized Maintenance Management System Upgrades.

D. Other.

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

The SSA entered into an agreement with the Wampanoag Tribe of Gay Head (Aquinnah), pursuant to which the Tribe will transfer to the SSA \$200,000 of the funds it receives under the federal government's Tribal Transportation Program (TPP). The SSA will then be able to use those funds to maintain, operate and repair the boat line, and the SSA will in turn provide Tribal Members with reduced fares to and from Martha's Vineyard.

2. Competitive Sale of Steamship Bonds:

To pay for the construction of the *M/V Woods Hole*, the SSA issued \$32,950,000 of Steamship Bonds at a true interest cost of 2.47718%. The principal amount of the bonds will mature in the years 2021 through 2029.

E. Licenses for Private Carriers.

1. Amendment to Hy-Line's License Agreement:

The SSA approved Hy-Line's request to increase the capacity of its seasonal high-speed passenger ferry service between Hyannis and Oak Bluffs and to increase the number its seasonal high-speed ferry trips between Oak Bluffs and Nantucket. Because next summer there will be three trips between the islands each day, people will be able to make a day trip from one island to the other for the first time in ten years.

2. Amendment to SeaStreak's License Agreement:

The SSA also approved SeaStreak's request to provide a seasonal high-speed passenger ferry service directly between New Bedford and Nantucket. Next summer will be the first time in 55 years that someone will be able to board a boat in New Bedford and disembark on Nantucket, and *vice versa*, and the transportation network that will exist among each and every one of our respective communities is symbolic of the good will that exists among all of us here on this Board.

Documents and Exhibits Used at the
January 19, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. January 19, 2016 Meeting Memorandum, dated January 13, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the December 15, 2015 Meeting in Public Session (draft).
4. Business Summary for the Month of November 2015.
5. Slide Presentation, "Steamship Authority Board Meeting, January 19, 2016, Capital Project Updates."
6. Staff Summary #L-454, dated January 12, 2016 – Schematic Design Report for the SSA's New General Offices.
7. Staff Summary #L-454 Supplement, dated January 13, 2016 – Schematic Design Report for the SSA's New General Offices.
8. Capital Expenditure Status Report as of December 31, 2015 - Construction of Thomas B. Landers Road Parking Facility.
9. Staff Summary #E 2016-1, dated January 14, 2016 – Contract #27-15, "Dry-dock and Overhaul Services for the *M/V Eagle*."
10. Minutes of the Port Council's January 6, 2016 Meeting (draft).
11. Two letters (one from Stephen and Carol Wagner, dated January 15, 2016, and another one from Nan Logan, dated January 19, 2016) given to the Members at the meeting by Woods Hole Community Association Co-President Catherine Bumpus.
12. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
February 16, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of February, 2016, beginning at 9:30 a.m., in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket (who participated remotely by telephone conference call); Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury, and Port Council member Robert R. Jones of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Marketing Kimberlee McHugh; Director of Human Resources Phillip J. Parent; Woods Hole Terminal Manager Kevin Smith; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Falmouth Town Manager Julian M. Suso:

Ms. Gladfelter then introduced and welcomed Falmouth Town Manager Julian M. Suso, who was present in the audience that day.

Mr. Ranney's Remote Participation in the Meeting:

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

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on January 19, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for December 2015, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 7.3%), more automobiles (up 4.4%) and more trucks (up 4.6%) during the month than it had carried during the same

month in 2014. Mr. Lamson further reported that, for the entire 2015 calendar year, the Authority had carried a total of 3,023,000 passengers on both routes combined, an increase of 4.5% from 2014, and that the number of passengers carried on the *M/V Iyanough* between Hyannis and Nantucket had increased by 8.7%. By comparison, Mr. Lamson said, the number of automobiles carried by the Authority during the year had increased by 1.7%, and the number of trucks by 3.8%.

Mr. Lamson further reported that the Authority's operating revenues and other income in December 2015 were \$831,000 higher than projected, and that its operating expenses and fixed charges were \$601,000 higher than budgeted. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$2,858,000, approximately \$230,000 lower than projected. Mr. Lamson noted that, for the 2015 calendar year, the Authority's operating revenues had totaled \$100,057,000; that the combination of its operating revenues and other income had been around \$6,113,000 higher than projected; that its operating expenses and fixed charges had been around \$1,571,000 lower than budgeted (with its vessel fuel expense being \$4,051,000 lower than budgeted); and that, as a result, the Authority's net operating income had been around \$11,303,000, approximately \$7,684,000 higher than the amount projected in the Authority's 2015 operating budget.

Mr. Lamson recounted how, because of lower vessel fuel oil expenses in 2015, the Authority had been able to accelerate certain unbudgeted maintenance projects, including the dry-docking of the *M/V Governor* and the Nantucket terminal dolphin and dock repairs. But Mr. Lamson observed that not all of those projects had been completed in 2015 as originally hoped and, therefore, that some of those unbudgeted expenses will now be incurred in 2016.

Finally, Mr. Lamson reported that, as a result of higher than anticipated operating revenues and lower than projected expenses, the Authority transferred an additional \$6,850,000 to its Replacement Fund, Reserve Fund and Bond Redemption Account this past year, and he noted that the additional money will be able to be used for future capital projects that the Authority otherwise would have to defer or finance through the issuance of more bonds.

Construction of the *M/V Woods Hole*:

Mr. Lamson then reported that the last progress schedule received by the Authority from Conrad Shipyard with respect to the construction of the *M/V Woods Hole* continues to show a projected vessel delivery date of June 6, 2016

at the Authority's Fairhaven Vessel Maintenance Facility, but that the staff was continuing to work with Conrad to see how close the delivery date can get back to its original contractual delivery date of April 29, 2016. Mr. Lamson noted, for example, that:

- The revised progress schedule provides twelve calendar days for the vessel's dock trials with the United States Coast Guard, but such dock trials usually take only two to three days. In addition, under the revised schedule, the vessel's sea trials don't begin until four days after the completion of its dock trials, when they ordinarily would begin immediately thereafter. Therefore, while Conrad's schedule shows a total of 19 days for dock and sea trials, the staff thinks they will take only around four to five days.
- But the biggest item is Conrad's provision of six weeks for the receipt from the Coast Guard of the vessel's stability letter and Certificate of Inspection after submission of the results of the vessel's incline test. The staff feels that the time can be substantially reduced by providing the Coast Guard with a preliminary trim and stability analysis in advance. After Conrad provides the actual data from the incline test (which will take place the week of April 11th), the Coast Guard can compare those results with the preliminary analysis and, if they are reasonably similar, no further review should be necessary. This would result in the review process taking no longer than two weeks, which is four weeks earlier than what Conrad is projecting in its current schedule.

Mr. Lamson stated that he remains optimistic that, if progress continues at the current pace, Conrad will be able to deliver the vessel much closer to the contractual delivery date of April 29th than its current projected delivery date of June 6th. Importantly, Mr. Lamson said, the vessel is already in dry-dock two weeks ahead of schedule, and the staff continues to be very pleased with the workmanship of Conrad's employees, who continue to do everything they can to move the project along. Mr. Lamson also noted that the staff doesn't expect any major surprises at this point, and that change orders to date have totaled less than \$500,000, which is around one-half of what the Authority's allowance was for contingencies.

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

- A forward view of the vessel from its port side before it was towed to Conrad's other shipyard to be dry-docked.

- A view of the food concession area of the passenger deck which is taking shape. Mr. Lamson noted that forward of this area will be a very nice passenger seating area and that the vessel will have both seats and benches so that passengers can lie down when the vessel is operating on the Nantucket route.
- A view of the freight deck bow area, which is similar to the same area on the *M/V Island Home*.
- A view of the vessel under tow from one of Conrad's shipyards to its other shipyard where the vessel is being dry-docked. Mr. Lamson noted that the vessel has been in the dry-dock beginning last week.
- A view from the stern of the vessel while it is in dry-dock. Mr. Lamson observed that the back one-third of the vessel's freight deck is open.
- A photograph of Authority Port Engineer Stephen Clifford and Senior Chief Engineer John Stanton at the shipyard.
- A view from the stern of the vessel while it is in dry-dock, showing its propellers and rudders in alignment for installation today.

Mr. Lamson noted that, under Conrad's progress schedule, the vessel's dry-dock was not supposed to take place until next week, but that Conrad had moved it up. After the vessel is dry-docked, Mr. Lamson said, it will go back to Conrad's other shipyard for final outfitting.

Finally, Mr. Lamson reported that the staff and Ms. Gladfelter had been working with the Woods Hole Historical Museum and a design firm to select some historical photographs of various points of interest in Woods Hole that will then be used to create display panels on the vessel. Mr. Lamson said that he thought it would be a nice touch for the Authority's passengers to see those display panels of Woods Hole on the vessel.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Falmouth Conservation Commission was continuing its hearing the following night on the Notice of Intent (NOI) that the Authority had filed last year for the Woods Hole Terminal Reconstruction Project; that the first day of the hearing had been on November 18, 2015; and that, in order to address some questions that were raised about the Authority's plans at that time, in December 2015 the Authority had provided the Commission with supplemental information. Mr. Lamson further reported that the Commission

had also engaged the services of a consultant to review the Authority's plans, and that the consultant had issued his report.

Mr. Lamson noted that the Authority's engineers will be present the next day at the Commission's hearing to respond to any issues that still might be a concern, and that he hoped the Commission will vote very soon on the Authority's NOI. Meanwhile, Mr. Lamson said, the Authority has filed its application for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection, as well as its application for a permit from the United States Army Corps of Engineers, and both of those agencies will be holding public hearings on the aspects of those applications that are within their respective jurisdictions. Mr. Lamson noted that, after the Authority receives those approvals, it will be able to proceed with the project's final design.

Mr. Lamson also reported that the Authority's design team expects to have a cost estimate for the waterside portion of the project by the end of February. Mr. Lamson noted that the Authority hopes to begin Phase 1 of the project by the end of the year with the award of construction contracts for the new General Offices building and the temporary terminal building. Mr. Lamson stated that both of those buildings will then be completed by the end of 2017, and that the entire project was scheduled to be finished by 2023.

The Authority's New General Offices:

As a follow-up to some of the Members' comments at last month's meeting, Mr. Lamson reported that the staff had revisited the interior layout plans for the Authority's new General Offices building at Palmer Avenue and had eliminated some individual offices, in particular those which had been designated for computer technicians in the Authority's Information Technologies Department. Mr. Lamson stated that, with respect to other areas, the staff had concluded either that there already is a significant amount of open space (such as in the Accounting Department) or that it would more efficient for the employees working in those areas to have individual offices for confidentiality purposes and to reduce the surrounding noise.

Maximo Maintenance Management Information System:

Mr. Lamson noted that, although Director of Information Technologies Mary T.H. Claffey had been unable to attend today's meeting, she and her staff were reducing the list of open items with respect to the upgrade to the Authority's Maximo computerized maintenance management information system. As a result, Mr. Lamson said, the staff will be scheduling training classes to take place next month for employees who use the system (including Senior Captains, Senior Chief Engineers and Terminal Managers) so the Authority can take advantage of the upgraded system and have the benefits of its better reporting features.

Information Technology Systems Improvements:

Mr. Lamson then reported that some of the Authority's other technology improvements have become quite popular among its customers. For example, Mr. Lamson said, a few months ago the Authority implemented a change to its waitlist system that now allows customers to choose to have their waitlist requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings. Mr. Lamson stated that more than half of the Authority's customers on the waitlist have since chosen this option. In addition, Mr. Lamson said, the Authority now has more than 27,500 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests.

Ms. Gladfelter then recounted how she had traveled to Martha's Vineyard twice the prior weekend and had the occasion to use the Authority's website, which she said was very easy to navigate. Ms. Gladfelter also complimented all of Authority's employees whom she encountered that weekend, saying that everyone was cheerful and got people on and off the island as nicely as possible.

Thomas B. Landers Road Parking Facility:

Mr. Lamson reported that the staff was continuing to work with the lead engineer and contractor for the Authority's Thomas B. Landers Road parking facility to find potential solutions to correct the stormwater runoff problems the Authority is having there, and that it appeared the parties have arrived at a preferred option which the engineer feels will resolve the current lack of infiltra-

tion flow through the subsurface layers of the lot. Mr. Lamson stated that the preferred option consists of installing:

- a 11,000 square-foot sand infiltration basin to a depth of five feet below the porous pavement and pea gravel layers between the northern and southern limits of the ring road about two-thirds of the way towards the lower east end of the lot;
- four 12-inch lateral drains, about 170 feet long, below the pea gravel layer in the lower third of the lot to redirect subsurface stormwater flow from the southern areas of the lot back to the middle of the lot where there is more capacity to handle a peak rain event; and
- a provisional deep sump structure in the lower end of the lot, with associated subsurface piping, to pump any unexpected remaining runoff back up the area above the new sand infiltration basin.

Mr. Lamson noted that the estimated cost of the preferred option is \$390,000, and that the parties were trying to agree upon who will pay for the recommended improvements, which the Authority wants to complete before the lot reopens later this year. Mr. Lamson also stated that the engineer has estimated on a very conservative basis that, once these improvements are completed, the site will have the capacity for a rain event of almost five inches within a 24-hour period, which Ms. Gladfelter noted was what the Authority thought the original capacity of the site would be without any of these improvements.

In response to a question from Mr. O'Brien, Mr. Lamson stated that the improvements will not result in the loss of any parking spaces because the area over the new infiltration basin will be repaved. Mr. Hanover then expressed his concern that all of the water running underneath the lot could be undermining the structure, but Mr. Lamson assured him that the staff had been told that such was not the case and that the property has the capacity to absorb all of that water because it has good infiltration rates beginning six feet below the surface.

Finally, Mr. Lamson noted that the engineer had concluded there is no need at this point for a retention basin at the eastern end of the property, as the sump pump should handle all of the water flowing to that area. But Mr. Lamson acknowledged that, if the new improvements turn out to be insufficient, constructing a retention basin there would be another option because the Authority certainly wants to stop all of the stormwater that falls on its property from running onto the adjacent property that is owned by the Town of Falmouth.

Options for Freight Service between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that the staff is continuing to work through the issues regarding the possibility of providing freight service between New Bedford and Martha's Vineyard, either by the Authority or a private carrier, and that the staff was in the process of identifying possible terminal facilities in New Bedford and on Martha's Vineyard. Mr. Lamson also reported that the staff was talking with a private carrier about what financial arrangements would be necessary for the carrier to provide a vessel and crew for the service, and was also attempting to identify all of the incremental costs of any such service, as well as how all of those costs would be recovered. Finally, Mr. Lamson stated that his goal is to have the staff's study completed in time for the Members to be able to discuss it at their April 2016 meeting.

Debt Issuance and Debt Management Policy:

Mr. Davis then asked the Members to reauthorize the Authority's Debt Issuance and Debt Management Policy, which he observed formally establishes the framework regarding the Authority's debt administration and management. Mr. Davis also noted that state regulations require that the Members formally adopt the policy every two years, and that his proposed policy was substantively the same as what previously had been approved by the Members in March 2014, with minor revisions to update the Authority's scheduled debt service payments and reflect the most recent increase in its bond limit.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Hanover -- to adopt the Authority's Debt Issuance and Debt Management Policy in the form attached to Staff Summary #A-592, dated February 9, 2016.

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

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

Mr. Lamson asked the Members to award Contract #01-16 for dry-dock and overhaul services for the *M/V Iyanough* to Fairhaven Shipyard of Fairhaven, Massachusetts, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$275,969. Mr. Lamson noted that the *M/V Iyanough* was scheduled to be in the shipyard from March 10th through April 5th to undergo a required United States Coast Guard hull examination, hull plate replacement and repairs, superstructure painting, water jet overhaul, exhaust blanket/lagging renewal and main engine sea water cooling modifications.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Hanover -- to award Contract #01-16 for dry-dock and overhaul services for the *M/V Iyanough* to Fairhaven Shipyard of Fairhaven, Massachusetts, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$275,969, as recommended by management in Staff Summary #E 2016-2, dated February 11, 2016.

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

Parking Lot Automated Vehicle Identification System:

Mr. Lamson then asked the Members for authorization to award Contract #02-2016 for a new automated vehicle identification system for the Woods Hole and Palmer Avenue parking lots to the lowest eligible and responsible bidder for the contract after bids are opened the next day. Mr. Lamson noted that the new system will allow permit holders, employees and shuttle buses to enter and exit those parking lots without having to use a gate card. Instead, Mr. Lamson said, each permit holder will be issued a transmitter decal that will be affixed to the permitted vehicle. In response to a question from Mr. Hanover, Mr. Rozum stated that the decals will be placed on the vehicles' side windows and that they would work the same way the E-ZPass system works on the Massachusetts turnpike.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. O'Brien -- to authorize the General Manager to award Contract #02-2016 for a new automated vehicle identification system for the Woods Hole and Palmer Avenue parking lots to the lowest eligible and responsible bidder for the contract after bids are opened therefor, as recommended by management in Staff Summary #TPF-2016-2, dated February 9, 2016.

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

Purchase of Five Taylor-Dunn Tiger Tow Tractors (Tow Motors):

Mr. Lamson then asked the Members to authorize the purchase of five Taylor-Dunn Tiger Tow Tractors (tow motors) for \$223,669.95 from Northland Industrial Truck Co., Inc. of Wilmington, Massachusetts, in accordance with Massachusetts State Contract MC15-G02. Mr. Lamson noted that these new tow motors will be used to tow luggage carts and trailers on and off the ferries, and are the same model as the tow motors that the Authority purchased in 2014 and are being used at the Hyannis and Nantucket terminals.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Hanover -- to authorize the General Manager to purchase five Taylor-Dunn Tiger Tow Tractors (tow motors) for \$223,669.95 from Northland Industrial Truck Co., Inc. of Wilmington, Massachusetts, in accordance with Massachusetts State Contract MC15-G02, as recommended by management in Staff Summary #TPF-2016-2, dated February 9, 2016.

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

Purchase of Spare Parts for EMD Diesel Engines and Turbochargers:

Mr. Lamson then asked the Members for authorization to award Contract #03-16 for the purchase of spare parts for two EMD 8-645-F7 diesel propulsion engines for the *M/V Katama*, two EMD 12-645-E diesel propulsion engines for the *M/V Nantucket*, two EMD 12-567-BC diesel propulsion engines for the *M/V Sankaty*, and two EMD 12-710-G7B turbochargers for the *M/V Island Home* to the lowest eligible and responsible bidder for the contract after bids are opened on February 24, 2016. Mr. Lamson noted that, although the 2016 Operating Budget had contained a \$340,000 expense item for EMD engine spare parts, the spare parts to be purchased under the contract were expected to cost around \$750,000. In response to a question from Mr. O'Brien, Mr. Lamson stated that the difference in the two amounts was attributable to the fact that the contract included not only parts that the Authority had planned to purchase this year, but also parts that the Authority had originally planned to purchase in 2015.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #03-16 for the purchase of spare parts for two EMD 8-645-F7 diesel propulsion engines, two EMD 12-645-E diesel propulsion engines, two EMD 12-567-BC diesel propulsion engines, and two EMD 12-710-G7B turbochargers to the lowest eligible and responsible bidder for the contract after bids are opened therefor, as recommended by management in Staff Summary #E 2016-3, dated February 11, 2016.

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

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed the Authority's financial information with Mr. Davis, had reviewed the status of several capital projects, and had discussed the ongoing possibility of a freight ferry service between New Bedford and Martha's Vineyard. In this regard, Mr. Huss noted that the Towns of Tisbury and Oak Bluffs were still looking into the possibility of transporting trash from the island by barge.

Mr. Huss also reported that the Port Council had discussed the issue of noise caused by trucks at the Woods Hole terminal, and had observed that the Authority was doing everything it could to mitigate this problem, including asking freight shippers to instruct their truck drivers not to use their Jake brakes while driving on Woods Hole Road. Mr. Huss noted that Nantucket Port Council member Nathaniel E. Lowell had informed the Port Council that drivers can turn off their Jake brakes so that they don't engage automatically when a driver takes his or her foot off of the gas pedal, but that some drivers simply don't bother to do so, and that box trucks usually do not have Jake brakes. Mr. Huss stated that it had been noted that the reduction in noise had improved.

Finally, Mr. Huss reported that the Port Council had briefly discussed how the dredge spoils from the Woods Hole terminal reconstruction project will be handled.

Public Comment:

Woods Hole Community Association Co-President Catherine Bumpus stated that the Authority's Woods Hole neighbors appreciate the efforts the Authority is making to mitigate the noise at the Woods Hole terminal, especially in the morning. Ms. Bumpus showed the Members a chart reflecting the change in the 5:30 a.m. boat schedule from when it started in 2012 to where it is today, and she stated that trucks are driving down Woods Hole Road at 4:00 to 4:30 in the morning to get to that 5:30 a.m. trip. Ms. Bumpus stated that this additional noise has led to some tension and that, therefore, she hoped the Authority will consider this issue when developing its future operating schedules.

Ms. Bumpus then stated that it was unfortunate the Authority will not be taking its dredge spoils from the Woods Hole terminal reconstruction project by barge, and she observed that trucking them from the site will have a lot of impact upon Woods Hole village and the Authority's own customers. For that reason, Ms. Bumpus said, there was value in barging the spoils instead of trucking them.

Ms. Gladfelter thanked Ms. Bumpus for her comments, and noted that the Members had seen the chart of the 5:30 a.m. boat schedule and that Mr. Rozum is well aware of the issues about the early morning freight trip while the staff is developing the Authority's future operating schedules.

At approximately 10:23 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, including the potential acquisition of property in Hyannis and the potential acquisition of property located at 31 Easy Street on Nantucket, and to discuss the Authority's strategy with respect to potential litigation, and she announced that a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. Ms. Gladfelter then stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called, and she announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

Documents and Exhibits Used at the
February 16, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority

1. February 16, 2016 Meeting Memorandum (Revised), dated February 11, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the January 19, 2016 Meeting in Public Session (draft).
4. Business Summary for the Month of December 2015.
5. Slide Presentation, "M/V Woods Hole Update, February 16, 2016 Steamship Authority Board Meeting."
6. Staff Summary #A-592, dated February 9, 2016 – Reauthorization of Debt Issuance and Debt Management Policy.
7. Staff Summary #E 2016-2, dated February 11, 2016 – Contract #01-16, "Dry-dock and Overhaul Services for the *M/V Iyanough*."
8. Staff Summary #TPF-2016-2, dated February 9, 2016 – "Supply and Install an Automated Vehicle Identification System for the Parking Lots" Contract #02-2016.
9. Staff Summary #TPF-2016-1, dated February 9, 2016 – Purchase (5) Five Taylor-Dunn Tiger Tow Tractors (Tow Motors).
10. Staff Summary #E 2016-3, dated February 11, 2016 – Contract #03-16, "Supply and Deliver Spare Parts for Four (4) EMD 645 Diesel Propulsion Engines, Two (2) EMD 567 Diesel Propulsion Engines and Two (2) Turbochargers."
11. Minutes of the Port Council's February 3, 2016 Meeting (draft).
12. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

March 22, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 22nd day of March, 2016, beginning at 9:30 a.m., in the Falmouth Art Center, located at 137 Gifford Street, Falmouth, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury, and Port Council member Robert R. Jones of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Operations Manager Mark K. Rozum; Director of Marketing Kimberlee McHugh; Director of Human Resources Phillip J. Parent; Woods Hole Terminal Manager Kevin Smith; Director of Engineering and Maintenance Carl R. Walker; Director of Security Lawrence S. Ferreira; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Dukes County Commissioner Leon Brathwaite:

Ms. Gladfelter introduced and welcomed Dukes County Commissioner Leon Brathwaite, who was present in the audience that day.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on February 16, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for January 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 11.3%), more automobiles (up 8.8%) and more trucks (up 11.3%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's operating revenues and other income in January 2016 were \$257,000 higher than projected, and that its operating expenses and fixed charges were \$2,353,000 lower than budgeted. As a result, Mr. Lamson said, the Authority's net operating loss for the month had been around \$2,841,000, approximately \$2,610,000 lower than projected. Mr. Lamson noted that, as seen on page 7 of the business summary, most of that variance will be offset over the next three or four months as the Authority completes some projects that either were not included in the 2016 Operating Budget and or were anticipated to be completed in January 2016.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the number of cars parked set forth in the Business Summary represent the number of cars physically parked in the Authority's parking lots regardless of how long they are parked there. Ms. Gladfelter then observed that, while the Authority had carried more trucks in January 2016 on both routes, the average revenue per truck had decreased on both routes. Mr. Lamson stated that this was probably because the average length of trucks carried by the Authority that

month had decreased, and he noted that the business summary showed that there had been a greater increase that month in the number of trucks shorter than 20 feet in length than the number of trucks 20 or more feet long.

Construction of the *M/V Woods Hole*:

Mr. Lamson then reported that the latest project schedule the Authority has received from Conrad Shipyard for the construction of the *M/V Woods Hole* continued to show an expected vessel delivery date of June 6, 2016 and that, when Mr. Walker and he were at the shipyard two weeks ago, although the work above the freight deck was coming along, there still seemed to be a lot of work left to do in the machinery areas below. However, Mr. Lamson said, from the Authority's perspective, Conrad's production crew continues to do everything they can to move the project along, and change orders to date have been around \$525,000, a little more than half of the total allowance for contingencies that was included in the project's budget. Mr. Lamson also noted that the frequency of the periodic progress meetings had been increased so that there was now a meeting every two weeks, and that the following day he and Mr. Walker would be participating in the next meeting by telephone.

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

- A view of the vessel before being painted, and a view of the vessel after it was painted. Mr. Walker stated that, although the vessel now looks like a Steamship Authority boat, there is still a lot of work to do and that all the employees at Conrad were doing everything they can to deliver the boat by June 6, 2016.
- A view of the vessel's stern from its port side showing the open freight deck. Mr. Walker stated that Conrad would be painting the interior of that area the following weekend.
- A view of the pilot house looking aft. Mr. Walker noted that most of the work in this area of the vessel was finished.
- A view of the propellers in place.
- A view of the pilot house console. Mr. Walker stated that Bardwell Electronics will be at the shipyard in mid-April 2016 to complete the installation of the pilot house equipment.
- A view of the port side of the vessel mid-ship looking forward. Mr. Walker stated that the decks were in place and the bulkheads were up, but he

observed that no seats were yet installed and that wires were hanging from the ceiling. Mr. Walker also stated that the majority of the passenger cabin will be complete by next month's progress meeting.

- A view of the forward passenger area with all of the studs on the floor for all of the seating. Mr. Walker stated that there will be electrical receptacles at all of the seats in the passenger area, even the seats located in the open middle area.

Mr. Walker also reported that the vessel will leave the shipyard as a fully functional boat and that, after it is delivered to the Authority's Fairhaven Vessel Maintenance Facility on June 6th, the Authority will have a commissioning ceremony and train its crews so that they are familiar with the vessel before it begins providing scheduled service on the Martha's Vineyard route on June 17, 2016.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Falmouth Conservation Commission was continuing its hearing the following night on the Notice of Intent (NOI) that the Authority had filed last year for the Woods Hole Terminal Reconstruction Project; that the first day of the hearing had been on November 18, 2015; and that, to address some questions that were raised about the Authority's plans at that time, the Authority provided the Commission with supplemental information in December. Mr. Lamson also reported that, in February 2016, the Commission voted to continue the hearing again in order to obtain an opinion from Falmouth Town Counsel as to whether he believes that the Authority is subject to the Town of Falmouth's Wetlands Protection Bylaw. Mr. Lamson noted that the Authority also took this opportunity to provide more information to the Commission about the lack of potential impacts that the proposed grading at the site will have on adjacent properties during flooding events.

Meanwhile, Mr. Lamson said, the Massachusetts Department of Environmental Protection had scheduled a hearing on the Authority's application for a Chapter 91 License and a Water Quality Certificate for 7:00 p.m. on Thursday, April 14th, at the Falmouth Public Library, and the Authority also has filed its application for a permit from the United States Army Corps of Engineers.

Maximo Maintenance Management Information System:

Ms. Claffey reported that, earlier this month, the Authority had postponed the training classes that had been scheduled for its Senior Captains and Senior Chief Engineers on the upgrade to its Maximo computerized maintenance management information system because the upgrade had not been ready to go live. But Ms. Claffey stated that the Authority then had asked its consultant, Aquitas, for immediate assistance to resolve all of the outstanding issues, and that the critical changes were completed shortly afterwards. Ms. Claffey stated that, as a result, last week the Authority was able to conduct three days of training classes for its Senior Captains and Senior Chief Engineers, and that they have been able to go back to work and see the changes in the live system. Ms. Claffey observed that the Authority's next critical objective for this project is to have the system work on computer tablets as well as on laptops so that users can enter information when they are working on the boats even though they might not have any connectivity to the system at that time, and the information will then be automatically recorded in the system when they subsequently connect to it.

Information Technology Systems Improvements:

Ms. Claffey then reported that some of the Authority's other technology improvements have become quite popular among its customers. For example, Ms. Claffey said, a few months ago the Authority implemented a change to its waitlist system that now allows customers to choose to have their waitlist requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings. Ms. Claffey stated that well over half of the Authority's customers on the waitlist have since chosen this option. In addition, Ms. Claffey said, the Authority now has more than 32,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests.

2016 Martha's Vineyard Fall Operating Schedule:

Mr. Lamson reported that the staff has gone back to see if there is anything the Authority can do with this coming fall's operating schedule, in addition to the steps the Authority has already taken, to reduce the early morning truck noise at the Woods Hole terminal. Mr. Lamson noted that, for the past four summers, the Authority has operated a 5:30 a.m. trip from Woods Hole with a

drive-through vessel that does not require trucks to back onto the vessel; that, for the past three years, the Authority has operated a 5:30 a.m. trip in the spring with a freight boat that does require trucks to back onto the vessel; and that, for the first time last year, a 5:30 a.m. trip was added in the fall to address the shortage of automobile spaces coming off-island in the morning for Vineyard residents and, because of the freight boat used, trucks similarly were required to back onto the vessel.

Mr. Lamson also stated that, based upon complaints the Authority started to receive last fall about early morning truck noise from excessive idling and back-up alarms coming from the terminal, the Authority has taken a number of steps to address the neighbors' complaints:

- The SSA reminded freight shippers about the State's anti-idling law, and it posted additional signs about the law at the terminal.
- The SSA changed the opening time of the terminal so that it now does not open until one-half hour before the first vessel departure.
- The SSA sent a letter to all of its regular freight shippers asking them to be courteous to the neighbors by obeying speed limits and to refrain from using engine brakes ("Jake brakes") on Woods Hole Road.
- The SSA changed the way trucks are staged on the property prior to loading for the first few trips in order to minimize the need for back-up alarms as much as possible.

Mr. Lamson reported that, while the staff had looked at various other possibilities to avoid having a 5:30 a.m. freight trip, including triple-crewing and berthing the vessel overnight on Martha's Vineyard and changing the schedule later in the season, there has been little demand for an additional crew to run trips in the late afternoon and early evening that time of year except on Fridays and Sundays and, by contrast, the demand for early morning off-island travel remained pretty steady during the entire 2015 fall season. Mr. Lamson stated that ultimately the staff had concluded that the Authority should not change the operating schedule that has already been approved for this coming fall which, as the spring and summer schedules, has the first freight trip leaving Woods Hole at 5:30 a.m.

Mr. Lamson also noted that the principal complaints about noise from the terminal during the early morning have been about the back-up alarms of trucks while they were being loaded on the vessel, and he observed that this complaint should be addressed this coming fall by having the *M/V Woods Hole* on the route, which will allow trucks to be driven straight onto the boat. However, Mr. Lamson

stressed that the Authority will continue its efforts to mitigate whatever noise is generated at the terminal during the early morning hours.

In response to a question from Mr. Hanover, Mr. Lamson stated that the Members did not need to vote on this matter if they did not feel that any changes needed to be made to the 2016 fall operating schedule. But Mr. Lamson noted that, if the Members were to vote to change the schedule, the Authority would have to publish those changes in the local newspapers to provide enough time for public comment and a potential hearing before the Authority accepts reservations for the fall schedule. Mr. Ranney then stated that he thought the Authority needed to leave the approved schedule alone.

Woods Hole resident Nat Trumbull thanked the Members for including this item on the agenda of today's meeting, as well as for the stringent efforts that have been made to mitigate the trucks' back-up activities and engine idling. In this regard, Mr. Trumbull stated that the Woods Hole terminal employees have made a great effort, for which he wanted to thank them. But Mr. Trumbull then stated that communication had broken down and that the main source of the noise is the revving of engines of large trucks that cannot move around the terminal quietly. Mr. Trumbull stated that, while he appreciated the fact that there will be a drive-through freight vessel in the fall, there will still be a lot of back-up activity and that the terminal will not be a quiet operation even in the best of circumstances.

Mr. Trumbull declared that the question was one of fairness for Falmouth residents, and that the terminal's truck activity was disruptive to their lives and their quality of life. Mr. Trumbull also noted that these conditions did not exist two years ago during the fall season and that no one had asked the residents if they wanted it. While Mr. Trumbull stated that Falmouth residents completely understand the position of island residents, who rely entirely on Woods Hole, he questioned whether it was fair for Woods Hole to shoulder the entire burden. Further, Mr. Trumbull stated that it was worth considering whether to spend between \$150,000 and \$200,000 to eliminate the 5:30 a.m. freight trip, and that any idea that the 5:30 a.m. freight trip is free was misguided.

Mr. Trumbull observed that the costs of having the 5:30 a.m. freight trip were not free, but were real costs, and that many neighbors are impacted by the early morning ferries. In this regard, Mr. Trumbull noted that it was almost the one-year anniversary of the tanker truck overturning at the Bourne Rotary and that, based upon the reports at that time, the accident narrowly missed causing an explosion. Mr. Trumbull declared that this is a real possibility on Woods Hole Road and that it is not a safe road to be navigating, especially at night. Therefore,

Mr. Trumbull said, when something happens, the Members will be the first ones to whom the public will look.

Mr. Huss recounted how the Port Council had discussed this subject at great length and, after that discussion, had decided that the schedule should be left alone this year and that the Authority should do its due diligence to mitigate the noise at the Woods Hole terminal. Mr. Huss noted that the Authority can look at the subject again next year if the noise continues to be major problem.

Walt Schanbacher of 14 Cowdry Road stated that his family hears the trucks coming down Woods Hole Road and making the tight turn on the Crane Street Bridge at 5:00 in the morning. Mr. Schanbacher observed that, while he might not know when he is going to bed each evening, he knows when he is going to be awake, as the trucks are extremely loud and his family hears the boats being loaded. Mr. Schanbacher also stated that the noise is almost intolerable, that he worries about the fact that Woods Hole Road is a winding two-way road that is downhill most of the way through a residential neighborhood, and that one of these days something is going to happen.

Richard Balkin of 3 Oyster Pond Road declared that he prays he will stay asleep until 7:00 a.m. because if he wakes up he can't go back to sleep because of the roaring of trucks. Mr. Balkin also complained that there is no police presence and that something should be done about the trucks flying down the road with no regard to the speed limit. Mr. Balkin stated that the town should be here for its residents, that every business should be secondary, and that he did not feel the residents were being represented at all.

Ms. Gladfelter suggested to Mr. Balkin that he call Falmouth Chief of Police Edward Dunne as his first recourse and that Chief Dunne has told her that residents should call the police station with these types of complaints. In this regard, Ms. Gladfelter noted that, if a case can be made for having police patrol Woods Hole Road, such an expense seemed like a perfect use for the embarkation fees that the Authority's passengers pay to the Town of Falmouth each year.

Nan Schanbacher noted that she has lived at 14 Cowdry Road for 51 years and that she was the Authority's nearest neighbor. Ms. Schanbacher stated that her family frequently feels besieged because they are squeezed in the middle and that, if Martha's Vineyard needs its loaf of bread to survive, it would be less disruptive to add an extra trip in the evening than in the morning. Although she said she could not speak to traffic patterns, Ms. Schanbacher stated that she thought they were equally available for trucks.

Ms. Schanbacher acknowledged that, because of where her family lives, they are going to have a certain amount of disruption, and she also stated that, while she appreciated the Authority's efforts, they were not working. Observing that her property is zoned residential, Ms. Schanbacher stated that her family feels as if they are living in an industrial zone between the Authority and the Coast Guard and it was important at some point for the Authority to pay a little more attention to the way its operations impact its neighbors.

Catherine Bumpus, Co-President of the Woods Hole Community Association, stated that a couple of pieces had come together when residents expected it to get quieter last fall and it didn't. Ms. Bumpus observed that it just seems that there is more traffic, that the traffic is getting earlier and earlier, that people were not paying much attention, and that the changes to the Authority's schedules were not advertised by mistake, which felt a little sneaky to the community because the changes have made an impact. Ms. Bumpus stated that she appreciated the Authority's willingness to talk about this, but that it was putting a lot of burden on the Falmouth community to make life easier for island residents to travel off-island early in the morning when they want.

After Ms. Tierney observed that traffic on Woods Hole Road is attributable to both the Authority and other major employers, Ms. Gladfelter stated that the rush hour where she lives north of town is between 7:00 and 9:00 in the morning and that she thought it would be beneficial for traffic to Martha's Vineyard to be before that time. Otherwise, Ms. Gladfelter said, she would worry about having that much freight traffic on the road during the morning commute.

Ms. Gladfelter also stated that, because Washington State Ferries plays very much the same role as the Authority does here, she wondered when their ferries started the operating days. That morning, Ms. Gladfelter said, she saw on their website that, while one ferry starts at 6:00 a.m., the other nine ferries start anywhere from 4:10 a.m. to 5:30 a.m. Nevertheless, Ms. Gladfelter noted that this issue was one that the Authority will continue to look at, and that it is a shifting landscape and will continue to be one. Ms. Gladfelter also observed that while one half of her constituency complains about the Authority's operations, the other half says that they are not bothered at all. Ms. Gladfelter also stated that the Authority will continue to try to mitigate its impacts on the community, but she also encouraged people to talk to officials in Falmouth, including Police Chief Dunne. Ms. Gladfelter noted that, if there is a need to control the speed of traffic on Woods Hole Road, perhaps he can obtain some funding to have additional patrols there.

Amendments to the Authority's Lease and Easement
Agreement with the Falmouth Youth Hockey League, Inc.:

Mr. Sayers asked the Members to authorize Mr. Lamson to execute amendments to the Authority's Lease and Easement Agreement with the Falmouth Youth Hockey League, Inc. ("FYHL") altering the Authority's leased parking area and the path of its easement across the FYHL's property at 9 Technology Park Drive so that the FYHL can construct a small one-story addition to the Ice Arena to provide additional indoor running/training space and an additional locker room. Mr. Sayers noted that the Authority leases around 200 parking spaces at the Ice Arena for use as overflow parking during the summer season, and that the Ice Arena's new addition will reduce the amount of that parking by around 21 spaces. Mr. Sayers also noted that the path of the Authority's easement across the FYHL's property from Technology Park Drive to the Authority's parcel on Research Road will also be altered so that the Authority will have a sufficient area for vehicular and pedestrian access around the new addition.

In response to a question from Mr. Hanover, Mr. Rozum stated that the Authority did not use the Ice Arena's parking lot at all this past summer because it instead used the Cataumet parking lot when it had to close the Thomas B. Landers Road parking lot. However, Mr. Rozum noted that the Authority had used the Ice Arena's parking lot during two weekends the previous summer.

Ms. Gladfelter then asked if the \$10,000 minimum annual rent paid by the Authority to the FYHL to be able to use 200 parking spaces at the Ice Arena during the summer should be reduced by 10% due to the anticipated loss of 21 spaces. In response, Mr. Sayers stated that he did not believe there needed to be any reduction in the minimum annual rent paid by the Authority, as the FYHL always allows the Authority to park as many cars as possible around its property even though the lease only requires the FYHL to make available 200 spaces.

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

- 1. an amendment to the Authority's Lease with Falmouth Youth Hockey League, Inc. ("FYHL") reducing the number of spaces at the new Ice Arena that FYHL leases to the Authority for overflow parking during the summer season by reducing the "Leased Parking Area" shown on Exhibit A to the Lease substantially as shown in Staff Summary #L-455, dated March 8, 2016; and**

2. a modification to the Authority's Easement Agreement with FYHL altering the path of the "Easement Area" shown on Exhibit A to the Easement Agreement substantially as shown in the same staff summary.

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

Pre-Season Promotion for High-Speed Passenger Ticket Books:

Mr. Lamson then asked the Members to approve a marketing promotion for the *M/V Iyanough* this year when it returns to service on April 12th by offering a 20% discount on the sale of the Authority's electronic high-speed passenger ticket books from Friday, April 1st, through Friday, April 15th. Mr. Lamson noted that the discount would apply to all of the Authority's electronic high-speed passenger 10-ride ticket books (adults, seniors and children).

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve a 20% discount on the price of all electronic passenger ticket books for the high-speed ferry during the period from April 1, 2016 through April 15, 2016, as recommended by management in Staff Summary #GM-666, dated March 17, 2016 (as corrected on March 21, 2016).

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

2015 Operating Results (Unaudited):

Mr. Davis then reported that, for the past five weeks, the Authority's independent auditors, RSM US LLP (formerly known as McGladrey LLP) had been reviewing the Authority's activity for 2015 and that, while the auditors' report was not yet completed, he would like to inform the Members of some preliminary unaudited results. Specifically, Mr. Davis said, the Authority's net operating income for 2015 (which excludes capital grants and income from special-purpose funds) was expected to be \$11,302,870, which was around \$3,570,000 higher than the Authority's 2014 net operating income and around \$7,684,000 higher than projected in the Authority's 2015 Operating Budget.

Mr. Davis noted that the Authority's 2015 operating revenues had totaled \$100,056,787, which was around \$6,274,000 higher than the Authority's 2014 operating revenues.

- Passenger revenues had increased by \$1,426,000.
- Automobile revenues increased by \$926,000.
- Freight revenues increased by \$2,838,000.
- Parking revenues increased by \$566,000.

Mr. Davis also noted that the Authority's operating expenses in 2015 had totaled \$88,313,623, which was around \$2,954,000 higher than in 2014.

- Maintenance expenses had increased by \$3,259,000, mostly attributable to increased dry-dock expenses (\$1,449,000) due to the unbudgeted dry-docking of the M/V Governor, engine parts and repairs (\$575,000), terminal repairs (\$607,000) due to the traffic improvements made at the Vineyard Haven terminal, and dolphin and dock expenses (\$639,000) at the Nantucket terminal.
- Depreciation expenses had increased by \$22,000.
- Vessel operating expenses had decreased by \$2,328,000 due to a decrease in fuel oil expense of \$3,130,000 attributable to a 37.5% decrease in the average cost of vessel fuel oil despite a 2.7% increase in vessel fuel consumption and a higher payroll of \$797,000.
- Terminal and parking operations expenses had increased by \$432,000 due to higher payroll (\$161,000), and increases in water (\$91,000) and gas and electricity (\$51,000) expenses.

- Reservations and Customer Service Department expenses had increased by \$242,000 due to increases in advertising expenses (\$66,000) and higher payroll (\$153,000).
- Other general expenses had increased by \$920,000 due to higher pension obligations (\$631,000), although partially offset by a \$615,000 decrease in health care costs, and an increase in credit card processing fees (\$185,000).

Mr. Davis finally reported that, after taking into account the Authority's other income (which had increased by \$274,000 due to license fee income) and fixed charges (which had increased by \$24,000), the Authority's change in net position for 2015 was \$12,646,000, including \$1,248,000 from capital grants and contributions and \$95,000 of income from the Authority's special purpose funds.

Mr. Hanover then stated that he had had the privilege of speaking with the Authority's independent auditors and that they had commended the Authority as an extremely well-run operation. Mr. Hanover observed that OPEC appeared to be organizing in its efforts to increase oil prices and he asked whether the Authority was continuing to execute its fuel price hedging program so that the Authority will be able to buy fuel at the current lower prices into the future. In response, Mr. Davis stated that the Authority already had completed its hedges through the second quarter of 2017 and was looking at executing more hedges for the third quarter of 2017.

Purchase of Spare Parts for EMD Diesel Engines and Turbochargers:

Similarly, Mr. Lamson reported that, in accordance with the authorization the Members had given him last month, he had awarded Contract #03-16 for the purchase of spare parts for two EMD 8-645-F7 diesel propulsion engines for the *M/V Katama*, two EMD 12-645-E diesel propulsion engines for the *M/V Nantucket*, two EMD 12-567-BC diesel propulsion engines for the *M/V Sankaty*, and two EMD 12-710-G7B turbochargers for the *M/V Island Home* to Marine Systems, Inc. of Cheapeake, Virginia, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$705,923.79.

Fairhaven Site Work – Phase III:

Mr. Lamson then asked the Members to award Contract #04-2016 for Phase III of the site work at the Authority's Fairhaven Vessel Maintenance Facility to Robert B. Our Co. Inc. of Harwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$124,939. Mr. Lamson noted that, after the "Lobster" building on the property is demolished this month, the contract will require the contractor to finish the remaining site improvements for the property as part of the project that replaced the "Be Careful" and "Lobster" buildings with the new modular building. In addition, Mr. Lamson said, the work includes furnishing and installing a new stormwater system, pavement structures, bituminous pavement sealcoat and concrete pads, as well as extending the seawall. Mr. Lamson stated that the work is planned to begin on April 4th and is expected to be completed in four to six weeks.

In response to a question from Mr. Hanover, Mr. Walker stated that the "Lobster" building is the smaller red building on the property and that he had been told that it is called the "Lobster" building because it historically had been used to store lobster pots.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to award Contract #04-2016 for Phase III of the Fairhaven site work to Robert B. Our, Co., Inc. of Harwich, Massachusetts, the lowest eligible and responsible bidder for the contract, for the Total Contract Price of \$124,939, as recommended by management in Staff Summary #E 2016-5, dated March 17, 2016.

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

Rental Car Services Agreement for the
Palmer Avenue Parking Lot and Hyannis Terminal:

Mr. Lamson then asked the Members to award Contract #06-2016 for Rental Car Services at both the Authority's Palmer Avenue parking lot and its Hyannis terminal to Avis Budget Car Rental ("Avis") of Parsippany, New Jersey, observing that Avis' proposal was ranked as the highest among three proposals submitted by Avis, Enterprise Holdings and Hertz Rent a Car. Mr. Lamson stated that the agreement will allow Avis to maintain office/counter space at both locations and have the use of 20 parking spaces at the Palmer Avenue parking lot and 10 parking spaces at the Hyannis terminal for \$65,000 or 10% of its gross rental revenues (net time and mileage), whichever is higher, per year. In addition, Mr. Lamson said, the term of the proposed agreement is three years (May 15, 2016 through May 14, 2019), and the Authority will have the option, at its sole discretion, to extend it for up to two one-year extensions after that.

Mr. Lamson also noted that Avis has been operating out of the Authority's Hyannis terminal since November 2011 and at the Authority's Palmer Avenue parking lot since July 2015, and that Avis also plans to locate some Zipcars at those locations. In response to a question from Mr. Jones, Mr. Lamson stated that the \$65,000 minimum guaranteed amount was for both locations combined, not \$65,000 per location.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to award Contract #06-2016, an agreement for rental car services at the Authority's Palmer Avenue parking lot and its Hyannis terminal, to Avis Budget Car Rental of Parsippany, New Jersey, as recommended by management in Staff Summary #TPF-2016-4, dated March 16, 2016.

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

Hyannis Terminal Concrete Repairs:

Mr. Lamson then asked the Members to award Contract #07-2016 for Hyannis terminal concrete repairs to Chapman Waterproofing Co. of Boston, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$143,070. Mr. Lamson noted that, under the contract, the contractor will begin work on April 1st by removing and disposing the deteriorating concrete on the passenger stairs that access the terminal's Slip #1, as well as all of the corroded reinforcing steel and other materials encountered during the course of the work. Mr. Lamson stated that the contractor will then place new concrete repair mortar on the stairs, walls, landings and deck, as well as new aluminum stair nosing and surface mounted aluminum railings, and that the work was scheduled to be completed by April 30th.

In response to a question from Mr. Jones, Mr. Walker stated that the concrete work included the passenger stairs that go to the main pier, as the stairs were failing, and also alongside the pier and the passenger access that comes up from the dock where the Town of Barnstable ties up its boat, as well as some concrete on the pier itself, which he noted had been built in 1995.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Ranney -- to award Contract #07-2016 for Hyannis terminal concrete repairs to Chapman Waterproofing Co. of Boston, Massachusetts, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$143,070.00, as recommended by management in Staff Summary #E 2016-6, dated March 18, 2016.

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

Marine Evacuation Slide (MES) and Inflatable
Buoyant Apparatus (IBA) Service and Testing:

Mr. Lamson then asked the Members for authorization to award Contract #09-16 for the service and testing of marine evacuation slides (MES) and inflatable buoyant apparatuses (IBA) to the lowest eligible and responsible bidder when bids for the contract are opened the following Thursday, March 24, 2016. Mr. Lamson stated that the work under the contract, which is estimated to cost \$125,000 per year, will also include hydrostatic testing of CO₂ bottles, replacement of CO₂ bottles, pick-up and delivery charges, and labor to install and remove the systems.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to award Contract #09-16 for the service and testing of marine evacuation slides (MES) and inflatable buoyant apparatuses (IBA) to the lowest eligible and responsible bidder for the contract after bids are opened therefor, as recommended by management in Staff Summary #E 2016-7, dated March 7, 2016.

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

Change Order to Bertaux + Iwerks Architects' Contract to
Conduct Monopile Probing Program for the Woods Hole Terminal:

Mr. Lamson then asked the Members to ratify his approval of a change order to the Authority's design contract with Bertaux + Iwerks Architects for the Woods Hole terminal reconstruction project to conduct a probing program to attempt to identify obstructions at the proposed monopile locations for the terminal's three new slips, in the amount of \$232,968. Mr. Lamson noted that the current schematic design drawings for the slips provide for 39 new monopile

dolphins with an outer diameter of 8 feet, and that the use of monopiles instead of regular piles will speed up the construction of the dolphins and reduce their footprints over the ocean floor. But Mr. Lamson observed that, because of their larger size it is expensive and more difficult to relocate them if an obstruction is encountered while they are being driven during construction, which was why the project's design team has recommended that probes be driven in the locations of the 28 proposed dolphin locations that are currently accessible by water.

Mr. Lamson also noted that because one of the ferry slips will need to be closed while the probing takes place, it is important to complete the probing program prior to the commencement of the 2016 Spring Operating Schedule on April 12th. Therefore, Mr. Lamson said, the program would begin that week and should be completed around April 1st.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to ratify the General Manager's approval of a change order to the Authority's contract with Bertaux + Iwerks Architects for the Woods Hole terminal reconstruction project to conduct a probing program to attempt to identify obstructions at the proposed monopole locations for new Slips #1, #2 and #3, in the amount of \$232,968.00, as recommended by management in Staff Summary #L-456, dated March 16, 2016.

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

Change Order to Lawrence-Lynch Corp.'s Contract
for Additional Subsurface Stormwater Management
Improvements for the Thomas B. Landers Road Parking Facility:

Mr. Lamson then asked the Members to approve a change order to the Authority's contract with Lawrence-Lynch Corp. for the construction of the Thomas B. Landers Road parking facility to construct additional stormwater management improvements at the site. Mr. Lamson noted that the Authority has been experiencing problems with stormwater runoff in the southeast corner of the parking lot during heavy rain events since last summer, and he stated that the engineers (Green Seal Environmental Inc.) and contractor (Lawrence-Lynch Corp.) had been working with the Authority to address the contributing issues and formulate the most cost-effective solution so that the lot can handle a 10-year theoretical storm of 4.97 inches of rainfall over a 24-hour period before infiltration while maintaining the current number of parking spaces.

Mr. Lamson stated that the proposed solution includes the following elements:

- a 14,000 square-foot sand infiltration basin five to seven feet deep beneath the entire north-to-south length of the parking lot that will be capable of capturing all of the stormwater runoff from the upper two-thirds of the lot;
- a 2,400 square-foot, eight-foot deep underground rain storage tank system in the southeast corner of the lot; and
- an underground pump chamber in the southeast corner of the lot to pump excess stormwater from the storage tank, via a 732-foot force main pipe, back up into a 36-inch distribution pipe in the middle of the sand infiltration basin.

Mr. Lamson also noted that the total estimated cost of these improvements was \$490,000 and that Lawrence-Lynch had indicated that all of the construction and restoration work can be completed by mid-May 2016. In response to a question from Mr. Hanover, Mr. Lamson stated that it had yet to be decided who will ultimately pay for this work, and he suggested that this subject would be an appropriate matter to discuss in executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve a change order to the Authority's contract with Lawrence-Lynch Corp. for the construction of the Thomas B. Landers Road parking facility for additional stormwater management improvements, as recom-

**mended by management in Staff Summary #GM-665, dated
March 21, 2016.**

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

Emergency Procurement of Reduction
Gear Parts and Services for the M/V Katama:

Mr. Lamson recounted how, during a routine inspection the prior week, the *M/V Katama's* port reduction gear was found to have a significant crack in a gear tooth of the bull gear and lesser damage to the gear teeth of the pinion gears, which made the gear inoperable. Mr. Lamson reported that, accordingly, last week he had authorized an emergency procurement of new gears from Reintjes GmbH of Hamelin, Germany, the original manufacturer of the gears, in the amount of \$113,747. But Mr. Lamson stated that, in addition to the gears, the repair of the port gearbox will require additional parts, including bearings, seals and clutch plates, as well as a technical representative's on-site labor and expenses. Accordingly, Mr. Lamson asked the Members to authorize a second emergency procurement for these additional parts from Karl Senner, Inc., of Kenner, Louisiana, in the amount of \$108,485.

Mr. Lamson also noted that, as a result, the return of the *M/V Katama* to line service will be delayed by about a month, and that the staff was planning to bring the *M/V Island Home* out of repair in mid-April. Mr. Lamson stated that repair work on the *M/V Governor* was also being accelerated so that she hopefully can begin service around May 1st. Until then, Mr. Lamson said, the three vessels on the Martha's Vineyard route will be the *M/V Island Home*, the *M/V Martha's Vineyard* and the *M/V Nantucket*, and the *M/V Nantucket* will serve as the freight vessel. Mr. Lamson also noted that freight reservations will have to be moved around, as the *M/V Nantucket's* truck capacity is less than the *M/V Katama's* truck capacity.

Mr. Hanover observed that this situation shows why the Authority needs to have a spare vessel. In response to a question from Mr. O'Brien, Mr. Walker stated that the *M/V Katama's* reduction gears are the same as the reduction gears in the other freight boats and that, while there normally are replacements due to the fact that they are commonly used in the Gulf of Mexico, there were no spares in stock this time. Mr. Walker also noted that a reduction gear failure is not a normal occurrence and that this is the first time the Authority has had such a failure in at least 20 years. Therefore, he said, he did not believe the Authority needed to buy an additional reduction gear as a spare.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Hanover -- to approve the purchase of reduction gear parts and services for the *M/V Katama* on an emergency basis from Karl Senner, Inc., of Kenner Louisiana, as recommended by management in Staff Summary #E 2016-8, dated March 21, 2016.

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

Parking Lot Automated Vehicle Identification System:

Mr. Lamson then reported that, in accordance with the authorization the Members had given him the prior month, he had awarded Contract #02-2016 for a new automated vehicle identification system for the Woods Hole and Palmer Avenue parking lots to Amano McGann Inc. of Charlestown, Massachusetts, the only eligible and responsible bidder for the contract, for a Total Contract Price of \$104,890. Mr. Lamson noted that the new system will allow permit holders, employees and shuttle buses to enter and exit those parking lots without having to use a gate card. Instead, Mr. Lamson said, permit holders will be issued a transmitter decal that will be affixed to the permitted vehicle.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, including the business summary for the month of January and the 2015 unaudited operating results. Mr. Huss noted that Mr. Davis had reported that sufficient transfers already had been made to cover the Authority's bond interest and principal obligations for both March and September of this year.

Mr. Huss also reported that the Port Council discussed the issues about the Authority's 2016 fall operating schedule and suggested that the schedule be kept as it was approved for this year, while keeping track of the noise problems and making certain that everything is being done to keep the noise as low as possible. Mr. Huss noted that the Port Council also continued their discussion of the possibility of a freight ferry service between New Bedford and Martha's Vineyard and how the Towns of Tisbury and Oak Bluffs were still looking into the possibility of transporting trash from the island by barge. In response to a question from Mr. Hanover, Mr. Smith stated that trucks which currently haul trash off the island backhaul other freight to the island all year round.

Authority Meeting Schedule:

Mr. Lamson then asked the Members if it would be possible to switch the locations of the Authority's May and June meetings so that the May meeting can take place on Nantucket and the June meeting can take place in Hyannis, noting that Mr. O'Brien will be unable to make the May meeting. Mr. Lamson also stated that the Nantucket Whaling Museum was available on May 17th if the Authority's meeting were to take place on Nantucket that day.

The Members agreed to switch the locations of the Authority's May and June meetings as requested, and Ms. Gladfelter also asked if their summer meeting on Martha's Vineyard could be somewhere that has air conditioning. In response, Mr. Lamson stated that the Authority already had reserved the Oak Bluffs Public Library, which does have air conditioning, for the July meeting.

Public Comment:

Mr. Trumbull asked the Members if the full minutes of the Authority's meetings could be posted on the Authority's website. In response, Ms. Gladfelter asked Mr. Lamson if the staff could look into Mr. Trumbull's request and report

back to the Members on the subject. Ms. McHugh also noted that, in response to a request that had been made at the Authority's January 19, 2016 meeting, the Authority's full operating schedules for the 2016 calendar year had been posted to the Authority's website the previous week.

At approximately 10:49 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to potential litigation, because a public discussion of these matters in an open meeting may have a detrimental effect on the Authority's negotiating and litigating positions, and also to discuss the deployment of security personnel and devices, and strategies with respect thereto. Ms. Gladfelter announced that these matters included the potential acquisition of property in Hyannis, property located at 31 Easy Street on Nantucket, and property located at 1251 Route 28A in Cataumet (Bourne), and that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to go into executive session to consider the purchase, exchange, lease or value of real property, to discuss the Authority's strategy with respect to potential litigation, and to discuss the deployment of security personnel and devices, and strategies with respect thereto.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
March 22, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. March 22, 2016 Meeting Memorandum, dated March 17, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the February 16, 2016 Meeting in Public Session (draft).
4. Business Summary for the Month of January 2016.
5. Slide Presentation, "M/V Woods Hole Update, Steamship Authority Board Meeting, March 22, 2016."
6. Staff Summary #TPF-2016-3, dated March 16, 2016 – 2016 Martha's Vineyard Fall Operating Schedule.
7. Letter to Elizabeth H. Gladfelter and Robert V. Huss, dated March 21, 2016, from 130 Falmouth residents
8. Staff Summary #L-455, dated March 8, 2016 – Proposed Amendments to the Lease and Easement Agreement with the Falmouth Youth Hockey League.
9. Staff Summary #GM-666, dated March 17, 2016 (as corrected on March 21, 2016) – Approval of Pre-Season Promotion for High-Speed Passenger Ticket Books.
10. Memorandum from Treasurer/Comptroller Robert B. Davis to the Authority Members and Port Council Members, dated February 19, 2016 – Operating Results for the Year ended December 31, 2015 (Unaudited).
11. Staff Summary #E 2016-4, dated March 17, 2016 – Contract #03-16, "Supply and Deliver Spare Parts for Four (4) EMD 645 Diesel Propulsion Engines, Two (2) EMD 567 Diesel Propulsion Engines and Two (2) Turbochargers."
12. Staff Summary #E 2016-5, dated March 17, 2016 – Contract #04-2016 "Fairhaven Site work – Phase III."
13. Staff Summary #TPF-2016-4, dated March 16, 2016 – Contract No. 06-2016, "Agreement for Palmer Avenue Parking Lot and Hyannis Terminal Rental Car Services."
14. Staff Summary #E 2016-6, dated March 18, 2016 – Contract #07-2016 "Hyannis Terminal Concrete Repairs."

March 22, 2016
Minutes of the Public Session

15. Staff Summary #E 2016-7, dated March 17, 2016 – Contract #09-16, “Marine Evacuation Slide (MES) and Inflatable Buoyant Apparatus (IBA) Service and Testing.”
16. Staff Summary #L-456, dated March 16, 2016 – Approval of Change Order to Conduct Monopile Probing Program for the Woods Hole Terminal.
17. Staff Summary #GM-665, dated March 21, 2016 – Approval of Change Order for Additional Subsurface Stormwater Management Improvements for the Thomas B. Landers Rd. Parking Facility.
18. Staff Summary #E 2016-8, dated March 21, 2016 – Emergency Procurement of Reduction Gear Parts and Services for the *M/V Katama*.
19. Minutes of the Port Council’s March 2, 2016 Meeting (draft).
20. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

April 19, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of April, 2016, beginning at 9:30 a.m., in the New Bedford Art Museum, located at 608 Pleasant Street, New Bedford, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury, and Port Council member Robert R. Jones of Barnstable (who arrived during the slide presentation of the status of the construction of the *M/V Woods Hole*) were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Human Resources Phillip J. Parent; Director of Engineering and Maintenance Carl R. Walker (who left the meeting after the Members voted to approve a contribution toward the cost of the Nantucket Park 'n Ride shuttle service); and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on March 22, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for February 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 20.9%), more automobiles (up 30.1%) and more trucks (up 17.8%) during the month than it had carried during the same month in 2015, and he stated that that he was not sure why there was such a big increase in traffic levels that month, although he noted that February did have 29 days this year due to the fact that 2016 is a leap year. The Members noted, however, that substantially fewer people had traveled during February 2015 due to the amount of snow that had fallen that winter.

Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$3,208,000, approximately \$423,000 lower than what had been projected. Mr. Lamson noted that, as seen on page 7 of the business summary, most of that variance will be offset over the next three or four months as the Authority completes some projects that either were not included in the 2016 Operating Budget and or were anticipated to be completed by February 2016, including dry-dock work on the *M/V Governor* and the *M/V Eagle*, engine repairs on the *M/V Katama*, dolphin repairs at the Nantucket terminal, and restroom renovations at the Hyannis and Nantucket terminals.

Finally, Mr. Lamson reported that the Authority's net operating loss for the first two months of 2016 had been \$6,049,000, approximately \$3,033,000 lower than expected, but he noted that over the next few months the Authority would be recording around \$2,450,000 in unbudgeted maintenance expenses.

Construction of the *M/V Woods Hole*:

Mr. Lamson reported that the latest progress meeting on the construction of the *M/V Woods Hole* had taken place at Conrad Shipyard the prior week and that Conrad's latest progress schedule, dated April 6, 2016, still shows an expected delivery date of June 6, 2016 for the vessel at the Authority's Fairhaven Vessel Maintenance Facility. Mr. Lamson stated that, while the Authority was continuing to try to have that date moved up, Conrad was not willing to commit to anything as of now in case something unexpected comes up over the next few weeks.

Mr. Lamson also noted that progress meetings with the shipyard were now being held every two weeks, and that he and Mr. Walker were planning to attend the next meeting scheduled for April 27, 2016, which will include a review of the project schedule for the completion of all of the remaining work, including the updated schedule for the final testing of the various systems, dock trials and sea trials. From the Authority's perspective, Mr. Lamson said, Conrad's production crew continues to do everything they can to move the project along, despite some challenges they have faced with the delay in the delivery of certain equipment the Authority specified in the contract with certain specific vendors.

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

- A view taken the prior week of the starboard side of the vessel looking aft.
- A view from the foredeck looking aft at the pilot house. Mr. Walker noted that everything is painted and that the windows are installed.
- A view of the foredeck passenger seating area with the seats in place.
- A view of the aft passenger area. Mr. Walker noted that the rescue boats and davits are installed, although he stated that there are still a lot of small things that need to be finished, especially below deck.
- A view of the interior passenger area. Mr. Walker noted that the ceiling panels and recessed lighting are installed. In response to a question from Mr. Hanover, Mr. Walker stated that the height of the ceilings is 7 feet, 4 inches, around four inches higher than the ceilings of the Authority's other boats.
- A view of the hospital and first aid station. Mr. Walker stated that everything for the passengers is located on the same level, including the restrooms.
- A view of the computer tables, stands and benches, which Mr. Walker stated are located on both the port and starboard sides of the vessel.

- A view of the concession area. Mr. Walker noted that the cabinets were being finalized and that next week he expects to see a lot of change from how it looked last week.
- A view of the pilot house, which Mr. Walker stated was a work in progress. In addition, Mr. Walker stated that the electronics team was there this week and that Tom Bardwell of Bardwell Electronics will be at the shipyard next week to install all of the radars and navigation equipment.
- View of areas below the freight deck. Mr. Walker stated that the work there was going well, but that it was lagging a bit and Conrad had not finished the insulation. However, Mr. Walker stated that all of the voids had been painted (white above the floor plate level and buff below) and that the piping systems are finished. In addition, Mr. Walker said, Conrad was planning to start the engines on May 2nd.
- A view of the steam whistle, which Mr. Walker stated was in place and ready to go, but not yet hooked up.

Mr. Walker then stated that Conrad's employees were an incredible group of people, were very customer-oriented, and wanted the vessel to be delivered as soon as it is ready to go. In this regard, Mr. Walker stated that he expected Conrad to be able to tell the Authority during the first week of May whether there is any possibility of delivering the vessel before June 6th.

Thomas B. Landers Road Parking Facility:

Mr. Walker gave a slide presentation on the status of the improvements that Lawrence-Lynch Corp. was constructing to fix the stormwater runoff problems at the Authority's Thomas B. Landers Road parking facility, showing slides of, among other things,

- The plastic chambers that were installed in the southeast corner of the parking lot. Mr. Walker noted that tanks and geotextile fabric will be installed in those chambers and that the Authority will not lose any parking spaces as a result of these improvements.
- The storage pipes that are being put into the sand bed. Mr. Walker stated that when the lower storage tanks fill up, water will be pumped into these pipes and will infiltrate through the sand bed.
- The trench that is being cut into the parking lot and where sand will be placed. In response to a question from Ms. Gladfelter, Mr. Walker stated that the trench was seven feet deep.

Mr. Walker stated that Lawrence-Lynch Corp. had advised him that the work might be finished by the end of April and that it was sure it will be done by no later than the middle of May.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the Authority had received the schematic design report for the waterside and landside portions of the Woods Hole terminal reconstruction project, as well as for the temporary terminal building (but not including the permanent new terminal building, its surrounding plaza or the new equipment storage building). Mr. Lamson noted that the report contains a very detailed cost estimate of \$59,500,000 for those portions of the project, and that the estimate includes an escalation factor to the mid-point of construction of 4% per year for the landside construction and 3% per year for the waterside construction, as well as a 15% design (estimating) contingency for the landside work and a 10% design contingency for the waterside work. Mr. Lamson further noted, however, that the estimate does not include any contingency for unforeseen events which may be encountered during construction.

Mr. Lamson also observed that the cost estimate similarly does not include the cost of the Authority's new administrative office building, and that cost of that building and the new terminal building could add \$20,000,000 more to the total cost of the project. However, Mr. Lamson said, because the construction of the project was expected to be spread out over seven years, the staff anticipated that it will be able to be funded from the Authority's Replacement Fund combined with a series of small bond issues when they are necessary for the Authority to meet its annual cash flow requirements. In this regard, Mr. Lamson noted that the Authority is currently authorized to issue \$100,000,000 of bonds, that it has \$66,310,000 in bonds outstanding, and that it is paying down the principal amount of those bonds at the rate of around \$6,000,000 per year.

Mr. Lamson further reported that the Falmouth Conservation Commission had issued an Order of Conditions for the Woods Hole terminal reconstruction project, and that the order includes requirements for the Authority to monitor eelgrass beds and a beach that are just south of the terminal, as well as to monitor structures in the area during pile driving activities, to have an environmental monitor on site during the construction phases who will provide weekly reports to the Commission, and to provide the Commission with more detailed dewatering plans before starting any excavation or dredging work. Finally, Mr. Lamson noted that, the prior week, the Massachusetts Department of Environmental Protection had held a hearing at the Falmouth Public Library

on the Authority's application for a Chapter 91 license and water quality certificate. Mr. Lamson stated that, as a result, the deadline for the submission of public comments on the application is May 4, 2016, and that the Authority will then be asked to respond to all of the comments that are received.

Maximo Maintenance Management Information System:

Ms. Claffey reported that the Authority has made a lot of progress on the upgrade to its Maximo computerized maintenance management information system. Specifically, Ms. Claffey stated that all of the changes that the Authority had requested have been applied to the live system and that most of the Authority's Senior Captains and Senior Chief Engineers have been trained on the upgraded system. Ms. Claffey also reported that the Authority's consultant, Aquitas, has returned to help configure and deploy computer tablets that employees will use to enter information into Maximo while working on the boats, even though they might not have any connectivity to the system at that time, and that the information will then be recorded automatically in the system when the employees subsequently connect to it. Ms. Claffey stated that the staff hopes to be able to get those tablets deployed soon, as that is the last critical piece of the upgrade.

Electronic Passenger Ticketing and Boarding:

Ms. Claffey also reported that the Authority is now allowing customers to buy high-speed passenger tickets for the *M/V Iyanough* on their mobile devices and then simply show their mobile devices to the terminal employees who are collecting tickets as they are boarding the vessel, and that customers who have electronic ticket books are able to use this technology as well. Ms. Claffey described how customers are instructed to activate their tickets on their mobile devices when they are ready to board the vessel, and how they then show their devices to the terminal employees who are collecting tickets for a visual inspection. As a result, Ms. Claffey said, the Authority will no longer have to scan any customer's mobile device.

In response to a question from Mr. Hanover, Mr. Lamson stated that this technology will not be used for the Authority's Purser and Terminal Agents to keep count of passengers boarding the ferries, and that they will continue to take separate manual counts just as they do today. Ms. Claffey also noted that passengers will not be able to show their mobile device to board more than one

trip. Rather, Ms. Claffey said, once a mobile device is activated to allow a customer to board, it remains active (and valid) for only a limited period of time.

Ms. Gladfelter then asked how the Authority will handle situations when a customer activates his or her device prior to boarding and then ends up not taking that particular trip. In response, Mr. Lamson stated that hopefully customers will not activate their devices until they are actually boarding the vessel, but that in such a situation the customer will still be able to call the Authority to obtain a refund. Mr. Lamson further stated that customers will also be able to use their mobile devices to activate coupons from their electronic ticket books to board the ferries, and that eventually this technology will be used for monthly ticket books as well.

The Members then wondered whether other technology might be better suited for the Authority's operations. Mr. Ranney asked if the Authority could use something like an E-ZPass that would automatically deduct a coupon from a customer's ticket book every time he or she boarded a ferry, and Mr. Hanover recounted how he had used a card that had a sensor in it for access to a resort's ski lifts on certain days this past winter and how the card had worked (and kept track of his ski runs) even though he never took it out of his pocket. In response, Ms. Claffey noted that the Authority was starting slowly with this technology, that there were a lot of questions and issues that the staff had to work through, and that the staff would continue to work through those questions and issues. Finally, Ms. Gladfelter stated that, whatever technology is used, the Authority had to make certain that the instructions given to the customers are as simple as possible, observing that no matter how simple instructions are, there will always be some people who won't follow them correctly.

Information Technology Improvements:

Ms. Claffey then reported that some of the Authority's other recent technology improvements continue to be quite popular among the Authority's customers. For example, Ms. Claffey said, the Authority now has more than 38,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests. In addition, Ms. Claffey recounted how a few months ago the Authority implemented a change to its waitlist system that now allows customers to choose to have their waitlist requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings, and she stated that more than half of the Authority's customers on the waitlist have since chosen this option.

Hy-Line's Request to Revise Its Operating Schedules
due to the Delayed Delivery of the M/V Grey Lady IV:

Mr. Lamson then reported that, last month, Hyannis Harbor Tours, Inc. ("Hy-Line") Vice President R. Murray Scudder, Jr. had informed him that the delivery of Hy-Line's new high-speed passenger ferry, the *M/V Grey Lady IV*, has been delayed until the middle of June 2016 and that, as a result, Hy-Line was requesting permission to make certain changes to its schedules until the new vessel is able to begin service. Mr. Lamson stated that, pursuant to the authority given to him in the Authority's license agreement with Hy-Line, he already had approved Hy-Line's request to operate the *M/V Lady Martha* as a substitute for the *M/V Grey Lady IV* on the route between Hyannis and Nantucket, as Hy-Line will still be making the same number of daily trips on that route with the *M/V Lady Martha* and the *M/V Grey Lady* as set forth in its original schedule.

But Mr. Lamson noted that Hy-Line's other requested schedule changes had to be approved by the Members. Specifically:

- With respect to the route between Hyannis and Martha's Vineyard, Hy-Line had requested to reduce the number of daily round trips from four to three from May 27, 2016 through June 24, 2016. (Hy-Line also had requested to change some of those trips' arrival and departure times, which Mr. Lamson was authorized to approve.)
- With respect to the inter-island route, Hy-Line had requested to use the *M/V Vineyard Lady* instead of the *M/V Lady Martha* to operate only one daily round trip from May 27, 2016 through June 24, 2016 instead of the three daily round trips it was licensed to operate around Memorial Day weekend and the two daily round trips thereafter.

Mr. Lamson also noted that, at their meeting earlier that month, the Port Council had discussed Hy-Line's request and had voted to recommend that the proposed schedule changes be approved by the Members.

In response to a question from Ms. Gladfelter, Mr. Scudder stated that, while he would be having a meeting the following day, Hy-Line was confident and hopeful that its new vessel will be in service by June 24th, but that there were a number of things that could arise before then. Ms. Tierney then observed that Hy-Line should have addressed this potential delay when it asked for a license to provide the additional inter-island service, especially since Hy-Line had expressed such strong opposition to SeaStreak's request to provide that service, and she stated that Hy-Line's failure to do so was very concerning. In response, Mr. Scudder stated that the delay in providing the additional inter-island service

was very disappointing for Hy-Line as well, but that these things do happen and that hopefully Hy-Line will be able to provide three daily round trips between the islands during the height of the summer season. Mr. Scudder also stated that by the end of the day Hy-Line was very supportive of SeaStreak's proposal and that it continues to be.

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

- 1. to approve Hy-Line's proposed reduction in the number of daily trips it is licensed to operate between Hyannis and Martha's Vineyard and between Martha's Vineyard and Nantucket from May 27, 2016 through June 24, 2016, and its proposed substitution of the *M/V Lady Martha* with the *M/V Vineyard Lady* to provide service between Martha's Vineyard and Nantucket from May 27, 2016 through June 24, 2016, all as described in Staff Summary #GM-669, dated April 8, 2016; and**
- 2. to authorize the General Manager to extend the Members' approval of the aforesaid reduction in trips and substitution of vessels as he deems necessary and appropriate in the event the *M/V Grey Lady IV* is not yet in service by June 24, 2016.**

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

After Mr. Hanover expressed his disappointment that there is going to be less service for Martha's Vineyard due to the delayed delivery of the *M/V Grey Lady IV*, he asked Mr. Lamson if Hy-Line and the Authority will have sufficient capacity to handle all of the passengers until the *M/V Grey Lady IV* arrives. In response, Mr. Lamson stated that his only concern was whether the Authority

will have enough passenger capacity on its traditional ferries on the route between Hyannis and Nantucket over the Memorial Day weekend, noting that Hy-Line's *M/V Great Point* is no longer in service. Mr. Lamson further stated that, while it looks as if the Authority will have sufficient capacity, on the Monday of that weekend (Memorial Day itself) there may be some passenger cutoffs on some trips, even on the Authority's traditional ferries, and customers may have to travel later in the day than they originally planned. Mr. Hanover then asked Mr. Lamson if the Authority could have employees at the terminals over the Memorial Day weekend to inform customers about the situation.

Martha's Vineyard Reservations Office:

Mr. Lamson then reported that the Authority's five-year lease with the Martha's Vineyard Airport Commission for space for the Authority's reservations office at the Martha's Vineyard Airport expires on November 30, 2016, and that the staff was exploring whether the reservations office instead could operate out of the rooms in the second floor of the Vineyard Haven terminal that are no longer used for crews quarters. Mr. Lamson noted that this would give the reservation clerks a better work environment than they now have at the airport and would not result in reducing the number of Authority employees who work on the island. Mr. Lamson also observed that the reservation clerks on the island now process an average of only around 40 counter transactions per day during the summer due to more customers making their own reservations on line, and that the staff believes the Authority's ticket sellers can handle those transactions without much more traffic at the Vineyard Haven and Oak Bluffs terminals.

Mr. Lamson also reported that the Authority will have to decide by next month whether it wants its Martha's Vineyard reservations office to remain at the Martha's Vineyard Airport, as the Authority only had until May 30, 2016 to exercise its option to renew the lease for another five years. Ms. Gladfelter then asked why anyone chooses to go to the airport to make his her ferry reservations. In response, Mr. Hanover stated that there was plenty of parking there and that it was easier for many people on the island to go to the airport than to go to Vineyard Haven or Oak Bluffs. Messrs. Huss and Balco also stated that many island residents prefer to make their reservations in person than online or by telephone because the reservation clerks can provide them with suggestions about when is the best time to travel depending upon their individual situations. Ms. Tierney also noted that it was important for the Authority to make certain that island residents have access to the mainland.

The Feasibility of Providing Freight Service
between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that, over the past several months, the staff has reviewed and discussed all of the possible options that might be feasible for providing freight ferry service between New Bedford and Martha's Vineyard, and reviewed various vessel options (including vessel charters, new vessel construction, the use of barges and the use of the Authority's so-called "spare" or "back-up" vessel) as well as alternative service schedules (and their associated costs), and potential terminal facilities in New Bedford. Mr. Lamson also stated that the staff has now issued their preliminary report on the subject with the recommendation that it be made publicly available and that the Authority solicit comments from anyone who may be interested in a possible New Bedford freight service, including but not limited to island residents, Falmouth residents, New Bedford residents, freight shippers, the Authority's other customers, the Cape Cod Commission, the Martha's Vineyard Commission, and public officials of all the potentially affected communities and appropriate agencies of the Commonwealth of Massachusetts.

Mr. Lamson noted that, based on all of the information that the staff has reviewed from various sources, the staff has developed a best-case service scenario which they believe will provide the best chance for long-term success considering all of the competing interests and issues. Specifically, Mr. Lamson said, the staff believes that:

- The freight service should start, at least initially, as a summer seasonal service.
- The freight service initially should operate only on weekdays.
- The daily operating schedule should consist of two round trips between New Bedford and Martha's Vineyard. (A third round trip would extend well into the evening, decreasing the likelihood that it would be utilized by freight shippers.)
- Instead of using its "spare" freight boat to provide the service, the Authority should charter a freight vessel to provide the service on a time charter basis, including cost of crew, fuel and maintenance.
- The Authority should provide reservation and ticketing services for the New Bedford freight service.
- Any potential freight service from the New Bedford State Pier should not interfere with SeaStreak's current use of the pier for its passenger service between New Bedford and both of the island of Martha's Vineyard and Nantucket.

- All vehicles should be able to travel between New Bedford and Martha's Vineyard, subject to priority for trucks carrying hazardous cargo on the first trip from New Bedford to Martha's Vineyard.
- The New Bedford freight service should be provided for at least several years.
- If a freight vessel is scheduled to provide regular freight service between New Bedford and Martha's Vineyard, it should be scheduled to sail through Quick's Hole rather than through Woods Hole Passage.
- The Authority should not subsidize the cost of the New Bedford freight service.

With respect to the last point, Mr. Lamson stated that the staff further believes that any New Bedford service must effectively pay for itself or be funded by one or more entities other than the Authority in order to be fair and equitable to the residents of Martha's Vineyard. Although Mr. Lamson noted that the staff has not had the opportunity to investigate what sources of funding might be available to pay the cost of constructing a suitable ferry terminal in New Bedford or to cover any deficiency that could result from the operation of the New Bedford freight service, he observed that potential sources include not only federal and state funds, but also local funds such as the Town of Falmouth's passenger embarkation fees.

Accordingly, Mr. Lamson stated that, in the preliminary report, the staff was recommending (unless comments, information or suggestions received in response to the report persuade the Authority to act otherwise) as follows:

- A. that the Authority entertain a proposal from Packer Marine (R.M. Packer Co., Inc. / Towing & Transportation Co., Inc.) to provide a barge and tug service for transporting freight vehicles between New Bedford and Martha's Vineyard on a "roll-on/roll-off" basis pursuant to a license agreement with the Authority, potentially without the payment of any license fees.
- B. that the Authority also engage the services of Craig Johnson of Flagship Management to find out, on the Authority's behalf, whether any private operators might be interested in providing the New Bedford freight service at their own financial risk under a license agreement with the Authority and, if so, under what terms and conditions.
- C. that the Authority work with the Cape Cod Commission, the Martha's Vineyard Commission, and public officials of all of the municipalities that could be affected by a New Bedford freight service for the purpose of submitting a joint request to the appropriate agency or agencies of the

Commonwealth of Massachusetts and/or other local or regional governmental entities:

1. to fund the construction, operation and maintenance of a suitable freight ferry terminal in New Bedford; and
 2. to provide annual funding to the Authority for the New Bedford freight service in a sufficient amount to cover the difference each year between (a) the amount of the Authority's direct and allocated costs of the service, and (b) the amount of fares the Authority derives from the service.
- D. Once the funding described in (C) above is secured and a schedule is established for the New Bedford freight ferry terminal's completion, unless by that time a private operator has entered into a license agreement with the Authority to provide the New Bedford freight service at its own financial risk, that the Authority negotiate and enter into a time charter for a freight vessel from a private operator to provide freight ferry service between New Bedford and the Authority's Vineyard Haven terminal in accordance with the following parameters (as they might be revised based upon the comments, information and suggestions received in response to the preliminary report):
1. The freight vessel would make two round trips a day on weekdays (excluding holidays) during approximately a 22-week summer season, with the potential to also operate the service, if the Authority chooses, on weekends and holidays.
 2. The Authority would provide reservation and ticketing services for the freight service, and will integrate reservations for travel on the New Bedford route into its existing reservations system so that customers traveling to and from Martha's Vineyard can make reservations in one direction by way of New Bedford and in the other direction by way of Woods Hole.
 3. The first daily one-way trip from New Bedford to Martha's Vineyard would be designated as a "hazardous cargo" trip and customers traveling between New Bedford and Martha's Vineyard with their vehicles (both trucks and automobiles) would be able to make reservations on that route the same way they are able to make reservations on the Authority's other freight trips.

4. Customers traveling with their automobiles would also be allowed to travel standby on the freight trips between New Bedford and Martha's Vineyard in the same manner that they are able to travel standby on the Authority's other freight trips.
5. Freight shippers would be allowed to ship their trucks between New Bedford and Martha's Vineyard without their drivers if the Authority is assured that each "driverless" truck on the vessel is physically met at the ferry terminal by its driver when the vessel arrives there so that the truck can be immediately driven off the vessel.
6. The New Bedford freight service would be provided on a summer-seasonal basis for an initial three-year period, with the potential to extend the operating season if the Authority so chooses.
7. The Authority would establish the same rates of fare for the New Bedford route as it establishes for the Woods Hole route.

In response to a question from Ms. Tierney, Mr. Lamson confirmed that the Port Council had not yet had the opportunity to comment on the staff's report. Ms. Gladfelter then suggested that the Members take some time to review the report a few more times, saying that she was sure that all of the Members, as well as the Port Council, have a lot of ideas about the subject. Ms. Gladfelter also observed that certain of the issues analyzed in the report will need to be prioritized and further discussed, saying that none of the changes described in the report were going to be made immediately, but in the long term there will be more traffic in the area unless the population in the United States decreases drastically.

Mr. Lamson then noted that, at the beginning of their research, the staff had not realized what condition the New Bedford State Pier was in, but had since met with the Massachusetts Department of Conservation and Recreation (DCR), which owns the pier. Mr. Lamson stated that DCR is in the process of working with the New Bedford Harbor Development Commission to see who is going to oversee the pier and its operation, and that the staff still needs to explore what is going to happen with the pier and find out who is going to be responsible for it.

Mr. Lamson also noted that the recently completed New Bedford Marine Commerce Terminal does not have a ferry slip which would provide it with the capability of handling a roll-on/roll-off vehicle ferry operation. But Mr. Lamson stated that it might be less expensive to construct a slip off of that terminal's bulkhead than to make the necessary improvements to the State Pier, although

he observed that, regardless of which improvements are made, they would cost more than \$10,000,000.

The Members then agreed that the staff should post the report on the Authority's website and otherwise make it publicly available, and should provide copies of it to the public officials of all the Authority's constituent communities so that they have an adequate time frame in which to respond. The Members also agreed that they did not see finishing their review of the report within the next month.

Vessel Substitution and Repair Schedule Changes
due to an Inoperable Reduction Gear on the M/V Katama:

Mr. Lamson then informed the Members of changes in vessel assignments that the staff has made due to the need to replace one of the *M/V Katama's* reduction gears when it was discovered to have a cracked tooth and is therefore inoperable until the repairs are completed. Mr. Lamson noted that it was now estimated that the *M/V Katama's* repairs will not be completed until May 17th. Therefore, Mr. Lamson said, until the *M/V Governor* can be brought back from the shipyard and put into line service, the *M/V Island Home* has been brought out of repair status and is being used on the Martha's Vineyard route in place of the *M/V Nantucket*, and the *M/V Nantucket* is being used in place of the *M/V Katama*. Mr. Lamson also stated that when the *M/V Governor* is able to go into line service, which is expected to be after the first week in May, the *M/V Island Home* will go back into repair, and that all of these vessel substitutions had the effect of reducing the repair periods for the *M/V Island Home* by about three weeks.

After Mr. Lamson noted that these events show the importance of having a spare vessel, Mr. Walker stated that, because there were more problems with the *M/V Katama's* gear cases, they were pulled from the boat and shipped to Louisiana. Mr. Walker also stated that the gears will return on a dedicated truck and, when they arrive, they will be dropped into the boat, which he expected to be by May 17th. Mr. Walker also stated that, although he originally had hoped the *M/V Governor* could return to service by May 1st, that goal had slipped by a week due to a multitude of steel replacement that was then in process. However, Mr. Walker said, the shipyard was progressing quite well with that work.

Approval of Funding Request for the
Nantucket Ferry Connector Shuttle Service:

Mr. Lamson then asked the Members to approve a contribution in the amount of \$36,421.89 towards the cost of operating the Nantucket Regional Transit Authority's Ferry Connector Park 'n Ride shuttle service for a third year, with the understanding that the Town of Nantucket and the NRTA will have to find a more sustainable source of funding (possibly using some or all of the embarkation fees that the Authority and Hy-Line collect from their ferry passengers on behalf of the Town), if the shuttle service is going to continue to operate after this year. Mr. Lamson also noted that, last year, the service ran from May 21 through October 12th, but that this year it will run only from June 1st through September 5th due to a decrease in the number of organizations who have agreed to contribute toward its funding. In this regard, Mr. Lamson observed that the service needs to have a source of funding for the long term, and that it is not the type of service that should be paid for by only a few people.

Ms. Gladfelter suggested that it might be appropriate for the Town of Nantucket to use its passenger embarkation fees to pay for the service, and she asked Mr. Lamson if he knew how the Town uses its passenger embarkation fees. In response, Mr. Lamson stated that was informed that the Town uses them to hire summer police officers, but that he has never seen any summer police officers at the Authority's Nantucket terminal or directing traffic around that area. Mr. Lamson also stated that he has tried to persuade the Nantucket Regional Transit Authority to extend one of its regular bus routes to the terminal as part of its regular service.

Ms. Gladfelter then stated that, while she supports public transportation, each of the Authority's port communities have traffic and congestion problems which are not all attributable to the Authority, and she asked if the Authority would receive any benefit for its money. Otherwise, Ms. Gladfelter said, she saw this more as a use for the Town's embarkation fees, which it receives to mitigate the impacts of ferry traffic on the community. In this regard, Ms. Gladfelter noted that the Town of Falmouth splits its passenger embarkation fees between its Police and Fire Departments, and she asked whether the Town should use them more directly to mitigate ferry traffic impacts as the law requires.

However, Mr. Jones observed that there simply are not enough passenger embarkation fees for all of the things that need to be done. After Mr. Jones also questioned whether the Nantucket Park 'n Ride shuttle service was a good use of the Authority's money, noting that last year the service cost \$24.24 per passenger, Ms. Gladfelter declared that whether the Town of Nantucket should provide such a shuttle service was a public policy issue that the Authority cannot

solve by itself. Nevertheless, Mr. Ranney stated that the Authority does receive a benefit from the shuttle service, as it results in less traffic going to and from the Nantucket terminal.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the contribution of \$36,421.89 toward the cost of operating the proposed Ferry Connector Parka 'n Ride Shuttle Service for 2016, as requested by the Nantucket Regional Transit Authority (NRTA), with the understanding that the Town of the Nantucket and NRTA will have to find a more sustainable source of funding, possibly using some or all of the passenger embarkation fees collected by the Authority and Hy-Line on behalf of the Town, if the shuttle service is going to continue to operate after 2016, as recommended by management in Staff Summary #GM-670, dated April 11, 2016.

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

Mr. Hanover then noted that the subject of passenger embarkation fees was also being discussed in Oak Bluffs at that time, observing that the fees automatically go to the Police Department and the Town is beginning to receive requests for other uses of those fees. Mr. Hanover observed that the Town has to be accountable for how those funds are used and that people were becoming upset because they don't know how the money is being spent and how it is being used to mitigate the impacts of ferry traffic on the community.

Mr. Balco also observed that the Town of Tisbury decides how to spend its passenger embarkation fees at town meeting, after a committee makes recommendations on how the fees should be used. Mr. Balco noted that the committee's recommendations are included as warrant articles for the meeting and voted on. Mr. Jones further noted that the passenger embarkation fees are required to be deposited into a dedicated fund so that people can see what they are used for. Ultimately, Ms. Gladfelter observed that all of the Authority's port

communities have the same problem, namely, too much traffic and too much noise.

Treasurer/Comptroller's Report:

Mr. Davis reported that Authority had carried more passengers (up 11.3%), automobiles (up 10.2%) and trucks (up 11.7%) during the month of March 2016 than it had carried during the same month in 2015, and that for the first three months of 2016, the Authority had carried more passengers (up 14.0%), automobiles (up 15.1%) and trucks (up 13.3%) than it had carried during the same period in 2015. Mr. Davis also reported that the Authority's net operating loss for the month of March 2016 was expected to be around \$3,425,000, \$25,000 lower than what had been budgeted for the month, with revenues exceeding budget projections by \$235,000, vessel fuel costs \$160,000 lower than budget estimates, and maintenance expenses \$360,000 higher than budget estimates. Mr. Davis further noted that, for the first three months of 2016, the Authority's net operating loss was expected to be \$9,470,000, or \$3,050,000 less than expected.

Finally, Mr. Davis reported that the promotional sales of electronic ticket books for the *M/V Iyanough* continues to be a success, and that during the first fifteen days of April this year the Authority sold 4,456 high-speed passenger ticket books, which represents a 44.5% increase from 2015. Indeed, Mr. Davis said, one company alone bought 50 ticket books during this promotion for use by its workers.

Marine Evacuation Slide (MES) and Inflatable
Buoyant Apparatus (IBA) Service and Testing:

Mr. Lamson then reported that, in accordance with the authorization the Members had given him last month, he had awarded Contract #09-16 for the service and testing of marine evacuation slides (MES) and inflatable buoyant apparatuses (IBA) to Life Raft & Survival Equipment of Tiverton, Rhode Island, the only eligible and responsible bidder for the contract, for a total contract price of \$420,940. Mr. Lamson noted that the work under the three-year contract also includes hydrostatic testing of CO₂ bottles, replacement of CO₂ bottles, pick-up and delivery charges, and labor to install and remove the systems.

Release to the Public of Portions of Executive Session Minutes:

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

Mr. Lamson then stated that, pursuant to these requirements, he had determined that all portions of the minutes of the Members' meetings in executive session through December 31, 2015 should be released to the public except for the portions of the minutes reflecting the Members' discussions and actions about the following matters:

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

As a result, Mr. Lamson said, the additional portions of the minutes of the Members' meetings in executive session through December 31, 2015 that have been released to the public, subject to the above limitations, include those pertaining to:

- (a) The Authority's renewal of restrictive covenants with respect to property located at 21 Juniper Point Road, Woods Hole;
- (b) The Authority's potential acquisition of the AMVETS property (336 Palmer Avenue, Falmouth);

- (c) Negotiations with the Town of Falmouth for the Authority's lease of the Woods Hole back parking lot;
- (d) The renewal of the Authority's parking lot leases with the Barnstable Municipal Airport Commission;
- (e) Collective bargaining negotiations with SEIU Local 888 for the Authority's Reservation Clerks and other Customer Service Department employees;
- (f) Negotiations with all of the Authority's unions regarding the implementation of the Earned Sick Time Law;
- (g) The Authority's strategy with respect to its contracts with non-union employees, including its 2015 pay program for those employees; and
- (h) The Authority's contract negotiations with General Manager Wayne C. Lamson on June 16, 2015.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, and that they had also asked the staff whether there is going to be open houses for the *M/V Woods Hole* when it arrives, especially on the two islands. Mr. Huss stated that the staff was in fact planning to have open houses on the islands for the new vessel, as well as a commissioning ceremony in Woods Hole beforehand. Of course, Mr. Huss said, the dates and times for those events will depend upon when the vessel arrives.

Mr. Huss also reported that the staff had advised the Port Council that the Authority will not have any bonds that are callable until 2019 and that, at that point, the Authority will see what the interest rates are to determine whether it is worth it to call them. Finally, Mr. Huss noted that the Port Council also had discussed how high-speed ferry passengers are now able to buy and show their tickets on their smart phones, as well as the staff's idea to move the Martha's Vineyard reservations office to the second floor of the Vineyard Haven terminal, and that both subjects will continue to be discussed at subsequent meetings.

In response to a question from Mr. Hanover, Ms. Barboza stated that summer reservations were going very well, and Mr. Lamson noted that the Authority had around 7% more summer reservations on both routes than it had last year at this time.

At approximately 11:21 a.m., Ms. Gladfelter entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining, because a public discussion of these matters in an open meeting may have a detrimental effect on the Authority's negotiating positions. Ms. Gladfelter announced that these matters included bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, and that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
April 19, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. April 19, 2016 Meeting Memorandum, dated April 13, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the March 22, 2016 Meeting in Public Session (draft).
4. Business Summary for the Month of February 2016.
5. Slide Presentation, "Steamship Authority Board Meeting at the New Bedford Art Museum, April 19, 2016."
6. Staff Summary #L-457, dated March 29, 2016 – Schematic Design Report for the Woods Hole Terminal Reconstruction Project (Waterside, Landside & Temp. Term. Bldg.).
7. Staff Summary #GM-669, dated April 8, 2016 – Hy-Line's Revised Operating Schedule from May 1 – June 24, 2016.
8. Staff Summary #TPF-2016-05, dated April 8, 2016 – Future Status of the Reservation Office at the Martha's Vineyard Airport.
9. Preliminary Report on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard, dated April 12, 2016.
10. Proposed Vessel Substitution and Repair Schedule Changes Due to an Inoperable Reduction Gear on the M/V Katama.
11. Staff Summary #GM-670, dated April 11, 2016 – Approval of Funding Request for the Nantucket Ferry Connector Shuttle Service.
12. Staff Summary #E 2016-9, dated April 13, 2016 – Contract #03-16, "Marine Evacuation Slide (MES) and Inflatable Buoyant Apparatus (IBA) Service and Testing."
13. Staff Summary #GM-668, dated April 6, 2016 – Release to the Public Portions of Executive Session Minutes.
14. Minutes of the Port Council's April 6, 2016 Meeting (draft).
15. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
May 17, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 17th day of May, 2016, beginning at 9:39 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. Four Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; and Marc N. Hanover of Dukes County. Robert L. O'Brien of Barnstable was absent.

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

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Minutes:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on April 19, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for March 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 11.3%), more automobiles (up 10.2%) and more trucks (up 11.7%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$3,898,000, approximately \$454,000 higher than what had been projected, and that maintenance expenses had been nearly \$1,000,000 higher during the month than budgeted primarily due to timing differences in dry-dock expenses for the *M/V Governor*, dolphin repairs at the Nantucket terminal, and restroom renovations at the Nantucket and Hyannis terminals.

Mr. Lamson also reported that the Authority's net operating loss for the first three months of 2016 had been \$9,947,000, approximately \$2,579,000 lower than expected, but he noted that, as seen on page 7 of the business summary, most of that variance will be offset over the next few months as the Authority completes some projects that either were not included in the 2016 Operating Budget or were anticipated to be completed by March 2016, such as the additional dry-dock expenses for the *M/V Governor*, engine repairs for the *M/V Katama*, and dolphin repairs at the Nantucket terminal.

Recognition of Public Officials:

Ms. Gladfelter then recognized Nantucket Town Manager C. Elizabeth ("Libby") Gibson in the audience and thanked her for attending today's meeting.

Construction of the *M/V Woods Hole*:

Mr. Lamson reported that the Authority was now having progress meetings on the construction of the *M/V Woods Hole* with Conrad Shipyard in Amelia, Louisiana on a weekly basis and that, as of the last meeting on May 11, 2016, the Authority had been informed that Conrad was still on schedule to deliver the vessel at the Authority's Fairhaven Vessel Maintenance Facility by no later than June 6, 2016. Mr. Lamson stated that Conrad was then in the process of going through the various startups of the vessel's major systems with their respective equipment vendors and that dock trials were being scheduled with the United States Coast Guard throughout this week and into next week if necessary. If all of the various dock trials go well, Mr. Lamson said, the sea trials are scheduled to take place next Tuesday, May 24, 2016, and the vessel could be leaving the shipyard on its delivery trip by the end of next week. Mr. Lamson also reported that, last week, the vessel's main engines were started for the first time and that the initial report from the Authority's personnel at the shipyard is that the engines are very quiet and have no vibration.

Meanwhile, Mr. Lamson reported that there will be a christening ceremony for the vessel in the shipyard this Friday and that Ms. Gladfelter would be there to christen the vessel. In addition, Mr. Lamson stated that the staff was starting to work on a commissioning ceremony for the vessel in Woods Hole next month, as well as open houses on each of the islands, prior to time that the vessel goes into line service between Woods Hole and Martha's Vineyard on June 17th.

After Mr. Lamson noted that Director of Engineering and Maintenance Carl R. Walker was at that shipyard that week and that he would also be going back to the shipyard next week for the vessel's sea trials, he gave a slide presentation on the status of the construction of the *M/V Woods Hole*, showing slides of, among other things:

- An aerial view of the vessel's profile.
- A view of the aft lunch counter area looking towards the vessel's stern, which Mr. Lamson observed had a number of open areas and large windows.
- A view of the multitude of receptacles for people to plug in their electronic devices.
- A view of the forward passenger area with a combination of benches, tables and seats. Mr. Lamson noted that the only passenger area on the vessel is the 02 deck.
- A view of more of the seating in the forward area of the passenger deck.

- A view of the vessel's buff-colored stack with the Steamship Authority logo.
- A view of the port side of the vessel.

Mr. Lamson then stated that the staff continues to be very impressed with the quality of the shipyard's work and that, without question, the quality of their work has been very good.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the comment period in response to the Authority's application for a Chapter 91 License and a Water Quality Certificate from the Massachusetts Department of Environmental Protection (DEP) for the Woods Hole terminal reconstruction project had ended on May 4, 2016 and that, after the DEP provides the Authority with the comments it received, the staff will respond to all of them. Mr. Lamson noted that the DEP will then conduct its technical review of the application and issue a draft license for the project, which will be subject to 21-day waiting period for any possible appeals, and that the staff anticipates that the appeals period will expire in time for the Authority to have a final license by this summer, which will allow the Authority to proceed with the project once it receives a permit from the U.S. Army Corps of Engineers.

In response to a question from Mr. Hanover, Mr. Lamson stated that it was critical for the Authority to receive the Chapter 91 license, the Water Quality Certificate, and the U.S. Army Corps of Engineers permit on a timely basis so that the Authority can proceed with the project as currently scheduled. If the all of the necessary licenses and permits are received this summer, Mr. Lamson said, the Authority can then issue invitations for bids for the new General Offices and the temporary Woods Hole terminal building so that construction of those two phases of the project can begin this fall and be completed by the end of 2017.

Maximo Maintenance Management Information System:

Ms. Claffey then reported that the Authority is again working with its consultant, Aquitas, to finalize the computer tablets the Authority will be using with its upgraded Maximo computerized maintenance system, and that the changes should be finalized within the next few days. Ms. Claffey noted that the computer tablets will then be usable with the live system, and that the Authority will provide additional training to its employees on how to use them. Ms. Claffey also reported that, last week, the Authority had trained almost all of the terminal

agents and parking lot supervisors who will be using the upgraded Maximo system, and that she was informed that the usage of the system by Authority employees is continuing to increase.

Electronic Passenger Ticketing and Boarding:

Ms. Claffey also reported that the Authority is now allowing customers to buy high-speed passenger tickets for the *M/V Iyanough* on their mobile devices and then simply show their mobile devices to the terminal employees who are collecting tickets as they are boarding the vessel. Ms. Claffey noted that this new visual boarding approach is a significant improvement for both the Authority's customers and terminal employees.

Information Technology Improvements:

Ms. Claffey reported that the Authority now has over 46,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests. Ms. Claffey also noted that more than half of the Authority's customers who use the wait list when they make reservations (and 75% of those customers who make their reservations online) have opted to have their wait list requests continue to be processed up to 12:00 noon the day before their scheduled sailings, instead of only up to 48 hours before their scheduled sailings with the recent technology improvements that have implemented.

Thomas B. Landers Road Parking Facility:

Mr. Lamson then reported that all of the work to fix the stormwater runoff problems at the Authority's Thomas B. Landers Road parking facility had been completed by Lawrence-Lynch Corp. and he gave a slide presentation showing the improvements that Lawrence-Lynch Corp. had installed. The slides showed, among other things:

- The east end of the parking lot with the storage tanks from which water will be pumped up the parking lot to a sand infiltration bed.
- The 30-inch pipes that were installed underneath the parking lot.

- A view of the parking lot two-thirds of the way towards the east end, showing the area that was excavated and filled in with sand.
- The area of the parking lot that was graded.
- The trench that was dug along the lot's ring road.
- The base coat of asphalt that was used. Mr. Lamson noted that, since the taking of this photograph, everything has been paved and that the lines have been painted as well.

Mr. Lamson conclude the slide presentation by observing that all of the repairs to the parking lot had been completed and that it is ready for the summer season. In response to a question from Ms. Gladfelter, Mr. Lamson stated that the area has not experienced any significant rainstorms since the work was completed. Also in response to a question from Mr. Hanover, Mr. Lamson stated that the Authority will know when the secondary pump system is operating.

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

Mr. Lamson then asked for authorization from the Members to proceed with an invitation for bids for the mid-life refurbishment of the *M/V Martha's Vineyard*, noting that the project, which is estimated to cost \$13,500,000, will include, among other items:

- extending the 02 passenger cabin to enclose the aft stair towers;
- creating a center island for the Purser's office, restrooms and food concession area, which Mr. Lamson observed will be a big improvement;
- removing and replacing all of the joiner work in the passenger cabins on the 02 and mezzanine decks;
- HVAC upgrades;
- an upgrade of the bow door (so that it is similar to the bow doors on the *M/V Woods Hole* and the *M/V Island Home*);
- installation of a stern roller curtain door;
- upgrade of crew accommodations;
- replacement of the ship's switchboard and emergency switchboard;
- installation of a third ship service generator;
- installation of an additional elevator on the port side of the mezzanine deck to the 02 passenger deck;

- replacement of all exterior windows;
- relocation and replacement of the rescue boat and davit;
- complete sandblasting and recoating of all exterior surfaces and the freight deck;
- water blasting and recoating the void spaces as necessary;
- installation of a new Marine Evacuation Slide system (MES);
- upgrade of the steering system controls;
- replacement of steel plating as necessary;
- pilothouse modifications; and
- an increase of interior and exterior passenger seating on the vessel.

Mr. Lamson stated that the invitation for bids hopefully would be issued by June 1, 2016, and that the bid opening would be scheduled so that the contract can be awarded at the July 2016 Authority meeting. Mr. Lamson also reported that a lot of shipyards, particularly around the Gulf of Mexico including Conrad Shipyard, were interested in doing this work. Mr. Lamson observed that it was a good time to issue an invitation for bids and that hopefully the Authority will receive some competitive bids.

In response to a question from Mr. Hanover, Mr. Lamson stated that the *M/V Martha's Vineyard* would be delivered to the shipyard in mid-October 2016 and return to the Authority's Fairhaven Vessel Maintenance Facility in February 2017 where work would continue for another month. In this regard, Mr. Lamson observed that the staff was still considering whether the *M/V Woods Hole* should provide service this winter in place of the *M/V Eagle* on the Nantucket route or in place of the *M/V Martha's Vineyard* or the *M/V Nantucket* on the Martha's Vineyard route. Mr. Lamson noted that, during the winter, the staff wants to overhaul the *M/V Eagle* and possibly the *M/V Island Home* as well because the winter is the best time in terms of the Authority's schedules to take those vessels out of service, even though the cold weather makes it more difficult to paint the vessels then.

Ms. Gladfelter then recounted how, at the Authority's last meeting on Nantucket, a member of the audience had asked that the Authority have larger elevators on its vessels, and she asked whether the *M/V Martha's Vineyard* will have a larger elevator. In response, Mr. Lamson acknowledged that he had received some complaints that the elevators on the Authority's vessels are too small, but he noted that they meet all of legal requirements. Mr. Lamson also stated that the Authority would probably specify an elevator for the *M/V Martha's Vineyard* similar to the one being installed on the *M/V Woods Hole*.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to authorize the General Manager to proceed with the invitation for bids for the mid-life refurbishment of the *M/V Martha's Vineyard*, as recommended by management in Staff Summary #E 2016-14, dated May 12, 2016.

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

Martha's Vineyard Reservation Office:

Mr. Lamson then asked the Members for authorization to relocate the Authority's Reservation Office at the Martha's Vineyard Airport to the Vineyard Haven terminal after the Authority's lease with the Martha's Vineyard Airport Commission expires on November 30, 2016. Mr. Lamson stated that the staff had concluded that the crews' quarters on the second floor of Vineyard Haven terminal, which are no longer utilized, are sufficiently large enough to be used as office space for the current call center operations at the airport, and that counter transactions currently being handled at the airport could take place at the ticket seller stations on the first floor of the terminal. Mr. Lamson also observed that customers who wish to make their reservations in person will also be able to go to the Oak Bluffs terminal during the summer season.

Mr. Lamson noted that, over the past several years, fewer customers have been making their reservations in person, possibly due to the popularity of the Authority's online reservations system, and he reported that the Port Council also had voted to recommend that the Authority's Reservation Office at the Martha's Vineyard Airport be relocated to the Vineyard Haven terminal after the expiration of the Authority's current lease on November 30, 2016. Mr. Lamson also stated that, in order to terminate its lease for the airport space as of November 30, 2016, the Authority has to give notice to the Martha's Vineyard Airport Commission by the end of May 2016.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to relocate the Authority's Martha's Vineyard Reservation Office from the Martha's Vineyard Airport to the Authority's Vineyard Haven terminal at the expiration of the Authority's current lease with the Martha's Vineyard Airport Commission, as recommended by management in Staff Summary #TPF-2016-6, dated May 11, 2016.

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

SeaStreak's Request to Operate an Additional Trip
from Nantucket to New Bedford on Memorial Day:

Mr. Lamson then asked the Members to approve a request from SeaStreak, LLC to operate one additional high-speed ferry trip from Nantucket to New Bedford on the morning of Memorial Day (Monday, May 30, 2016). Mr. Lamson noted that the vessel operated by SeaStreak as a capacity of 149 passengers, and that the staff believes that it can work with SeaStreak to coordinate a departure time for its vessel that does not conflict with the Authority's operating schedule.

Ms. Tierney noted that the New Bedford community was very enthusiastic about SeaStreak's new service between New Bedford and Nantucket, and that an open house hosted by SeaStreak the previous day in New Bedford had been very well attended. Indeed, Ms. Tierney said, SeaStreak has reported that its new service is already sold out for this coming weekend.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to authorize the General Manager to grant SeaStreak, LLC's request to operate one additional trip from Nantucket to New Bedford on Monday, May 30, 2016 (Memorial Day), as recommended by management in Staff Summary #TPF-2016-8, dated May 16, 2016.

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

Charter Agreement with SeaStreak for One Trip
from Nantucket to Hyannis on Memorial Day:

Mr. Lamson then asked the Members for authorization to charter one of SeaStreak's New York-class ferries to provide an additional high-speed ferry trip from Nantucket to the Authority's Hyannis terminal on the morning of Memorial Day (Monday, May 30, 2016). Mr. Lamson noted that the staff has been concerned that, due to the delayed delivery of Hy-Line's *Grey Lady IV* and its discontinuation of traditional ferry service this year with the *M/V Great Point*, there might be a shortage of passenger capacity on some trips from Nantucket to Hyannis on Memorial Day. Accordingly, Mr. Lamson said, the staff feels that it would be prudent to charter SeaStreak's vessel for a trip leaving Nantucket at 11:30 a.m. that day, which will still give SeaStreak enough time to return to Nantucket for its regularly scheduled departure to New York at 2:30 p.m.

In response to a question from Mr. Hanover, Mr. Lamson stated that the capacity of SeaStreak's vessel is between 500 and 550 passengers, but that the Authority probably will not carry that many passengers on the vessel due to all of the luggage that will need to be carried. Mr. Lamson also stated that the staff was planning to add this 11:30 a.m. trip into the Authority's reservation system and make it available for reservations even though it will be SeaStreak's vessel and SeaStreak's crew that operates it.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to enter into an agreement with SeaStreak, LLC to charter one of SeaStreak's vessels to provide one trip from Nantucket to Hyannis on Monday, May 30, 2016 (Memorial Day), as recommended by management in Staff Summary #TPF-2016-7, dated May 16, 2016.

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

Amendments to Lease and Easement Agreement
with the Falmouth Youth Hockey League, Inc.:

Mr. Lamson then asked the Members for authorization to execute the final versions of the amendments to the Authority's Lease and Easement Agreement with the Falmouth Youth Hockey League ("FYHL") altering the Authority's leased parking area and the path of its easement across the FYHL's property at 9 Technology Park Drive so that the FYHL can construct a small one-story addition to the Ice Arena to provide additional indoor running/training space and an additional locker room. Mr. Sayers observed that these were the same amendments the Members authorized Mr. Lamson to execute in March 2016, but that the documents had not been drafted at that time and the Members had to vote again to authorize Mr. Lamson to execute the actual documents so that they can be properly recorded with the Barnstable Registry of Deeds.

**IT WAS VOTED -- upon Mr. Hanover's motion, seconded by
Ms. Tierney -- as follows:**

- 1. that Wayne C. Lamson, General Manager of the Authority, be and hereby is authorized on behalf of the Authority, as Lessee, to execute and deliver the First Amendment, dated as of May 2, 2016, to a Lease, dated August 26, 2011, with respect to a certain portion of real property known as Lot 10, Barnstable County Registry of Deeds Plan Book 386, Page 47 (Street Address: 9 Technology Park Drive, East Falmouth, MA 02536), with Falmouth Youth Hockey League, Inc., as Lessor, such leased premises as revised therein to be used by the Authority for parking, and to execute and deliver any and all other documentation he deems reasonable and necessary in order to effectuate such First Amendment to Lease; and**

- 2. that Wayne C. Lamson, General Manager of the Authority, be and hereby is authorized on behalf of the Authority, as grantee, to execute and deliver the First Amendment, dated as of May 2, 2016, to an Easement Agreement, dated August 26, 2011, with respect to a certain portion of real property known as Lot 10, Barnstable County Registry of Deeds Plan Book 386, Page 47 (Street Address: 9 Technology Park Drive, East Falmouth, MA 02536), with Falmouth Youth Hockey League, Inc., as grantor, for vehicle and pedestrian access over the Easement Area as revised therein for Authority patrons, customers, employees, agents, contractors, guests and invitees on a non-exclusive basis, and to execute and deliver any and all other documentation he deems reasonable and necessary in order to effectuate such First Amendment to Easement Agreement;**

as recommended by management in Staff Summary #L-458, dated May 11, 2016.

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

2015 Analysis of Rates versus the Cost of Service:

Mr. Davis presented his analysis of the effectiveness of the Authority's rate structure to cover each route's cost of service for passengers, automobiles and trucks during the 2015 calendar year, noting that the methodologies used for 2015 were the same as those used for the previous eleven years. Mr. Davis also noted that this annual review is conducted to see how effective the Authority's rate structure was during the prior year's activity and, over time, this information will provide the Authority with a useful indicator of whether its financial position is improving or deteriorating.

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

- (a) In 2015, total vessel operating costs increased by \$515,000, or 2.1%; total indirect non-vessel costs increased by \$1,200,000, or 5.2%, principally due to the cost of dry-dock expenses for the *M/V Governor* and the *M/V Island Home*, the cost of traffic circulation improvements at the Vineyard Haven terminal, and higher depreciation expenses in connection with recent improvements to the Authority's offsite parking lots located on Palmer Avenue and on Thomas B. Landers Road in Falmouth; and, as a result, the overall cost of service for the Martha's Vineyard route increased by \$1,715,000, or 3.6%, from 2014.
- (b) The total number of trips operated increased by 189 in 2015, with a total capacity for the year increasing by 6,300 car-equivalent unit spaces. The number of spaces occupied increased by 13,187, 2.2%, from 2014, resulting in an increase of the occupancy rate from 80.8% in 2014 to 81.9% in 2015.
- (c) The estimated cost of a car-equivalent unit space was \$51.35 in 2015, down from \$52.32 in 2014. On average, automobiles covered 94.4% of their allocated cost of service, with the standard fare automobiles covering 125.9% and excursion fare automobiles covering 38.9%. By comparison, on average, trucks covered 111.7% of their allocated cost of service.

With respect to the Nantucket Route, Mr. Davis reported that:

- (a) In 2015, total vessel operating costs decreased by \$174,000, or 1.1%, primarily due to a decrease in dry-dock and fuel expenses; total indirect non-vessel costs increased by \$1,022,000, or 9.5%, principally due to the cost of dock and dolphin repairs at the Nantucket terminal; and, as a result, the overall cost of service for the Nantucket route increased by \$848,000, or 3.3%, from 2014.
- (b) The total number of trips operated increased by 149 in 2015, with a total capacity for the year increasing by 6,150 car-equivalent unit spaces. The number of spaces occupied increased by 8,328, or 4.9%, from 2014, resulting in an increase of the occupancy rate from 82.7% in 2014 to 84.2% in 2015.
- (c) The estimated cost of a car-equivalent unit space was \$113.16 in 2015, down from \$117.35 in 2014. On average, automobiles covered 134.8% of their allocated cost of service, with standard fare automobiles covering

171.0% and excursion fare automobiles covering 48.0%. By comparison, on average, trucks covered 102.8% of their allocated cost of service.

In response to a question from Ms. Gladfelter, Mr. Davis confirmed that each vessel's dry-dock and overhaul expenses are allocated to each route's cost of service based upon how much the vessel is on each route that year (taking into account not only the number of trips operated, but the length of each trip). Mr. Lamson then observed that, over the past ten years, the allocated revenues and cost of service for the Martha's Vineyard route represented 57.3% and 57.2%, respectively, of the Authority's total operating revenues and cost of service, whereas the allocation of revenues and cost of service on the Nantucket route were 42.7% and 42.8%, respectively, of the Authority's overall operating revenues and cost of service; and he declared that it would be practically impossible to get much closer than that in terms of the effectiveness of the Authority's rate structure to cover each route's allocated cost of service.

Approval of Alcoholic Beverages License Manager for the M/V Woods Hole:

Mr. Davis then asked the Members to approve the appointment of David W. Hammond, an employee of the Authority's food concessionaire, Centerplate, as manager of the Authority's alcoholic beverages license for the *M/V Woods Hole* that the Authority is applying for. Mr. Davis noted that the Alcoholic Beverages Control Commission's regulations require the Authority, as holder of the license, to formally approve the appointment.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the appointment of David W. Hammond to be the manager of the Authority's 2016 alcoholic beverages license for the M/V Woods Hole that the Authority is applying for from the Alcoholic Beverages Control Commission, as recommended by management in Staff Summary #A-595, dated May 9, 2016.

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

Emergency Generator for the Fairhaven Vessel Maintenance Facility:

Mr. Lamson then asked the Members to award a contract to Electrical Wholesalers, Inc., of New Bedford, Massachusetts, a state-authorized vendor, for all of the materials necessary for the installation of an emergency generator at the Fairhaven Vessel Maintenance Facility. Mr. Lamson stated that these materials include a container-mounted 400KW, 480-volt, 3-phase generator set, a 1200-amp automatic transfer switch, main breaker, associated load breakers, conduit, raceways and associated conductors, for a Total Contract Price of \$231,665, and he noted that an additional request for quotes to perform the labor to install the generator, which is estimated to cost \$100,000, will be issued at a later date.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the generator would start automatically whenever the facility loses power. Then, in response to another question from Mr. Hanover, Mr. Lamson stated that the generator is designed to provide enough power for both the facility itself and the vessels that are tied up in repair. Although Mr. Lamson observed, in response to a question from Ms. Tierney, that the Authority has not had any experience with this particular vendor, he stated that it is one of two state vendors approved for this type of equipment and is the one that Mr. Walker was recommending.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to award Capital Item #E2016-CAP-02, an emergency generator for the Fairhaven Vessel Maintenance Facility, to Electrical Wholesalers, Inc. of New Bedford, Massachusetts, the lowest eligible and responsible vendor approved by the Commonwealth of Massachusetts through Master Blank Purchase Order FAC76, for a Total Price of \$231,665, as recommended by management in Staff Summary #E 2016-11, dated May 12, 2016.

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

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

Mr. Lamson then asked the Members to award Contract #12-16 for dry-dock and overhaul services for the *M/V Sankaty* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,550,685. Mr. Lamson noted that the vessel will go into the shipyard from June 17, 2016 through August 12, 2016 to undergo a required United States Coast Guard hull examination, ballast modifications, modifications to tank locations, commercial blasting and coating, tank cleaning, sea valve, shaft, propeller and rudder inspection, and steel repairs. Mr. Lamson also noted that, since the original budget estimate for this contract had been prepared, the scope of work was expanded to include removing buoyant foam and fabricating and relocating an aft ballast tank to improve the vessel's maneuverability during light load conditions. Mr. Lamson stated that this work, which will cost \$785,000, will allow the Authority to adjust the vessel's draft under light load conditions and make it more efficient.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the ballast tanks will be filled up with salt water when the vessel is lightly loaded and then pumped out when the vessel has a heavier load. Mr. Lamson also observed that this is the first time that the Authority has been able to schedule a vessel for maintenance work during the summer, due to the addition of the *M/V Woods Hole* and the Authority's decision to keep the *M/V Governor*. Having the two additional vessels, Mr. Lamson said, now allows the Authority to spread out its vessel maintenance work throughout the year and still have a spare vessel available pretty much year round.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to award Contract #12-16 for dry-dock and overhaul services for the *M/V Sankaty* to Thames Shipyard and Repair Company of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$1,550,685, as recommended by management in Staff Summary #E 2016-12, dated May 12, 2016.

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

Purchase of Two Rescue Boat Davits:

Mr. Lamson then asked the Members to award Contract #13-16R for two USCG-approved rescue boat davits to the lowest eligible and responsible bidder for the contract after bids are opened on June 8, 2016. Mr. Lamson noted that one of the rescue boat davits will be installed on the *M/V Sankaty* and the other one will be put on the *M/V Martha's Vineyard* during its mid-life refurbishment. Mr. Lamson recounted how drawings and specifications for the davits had been sent to two marine supply vendors last month, but he reported that neither of the vendors submitted a bid for the contract by the original deadline. Therefore, Mr. Lamson said, another invitation for bids had to be issued with the new deadline date.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to authorize the General Manager to award Contract #13-16R for two USCG-approved rescue boat davits to the lowest eligible and responsible bidder for the contract after bids are opened on or after June 8, 2016, as recommended by management in Staff Summary #E 2016-13, dated May 12, 2016.

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

Performance Evaluation of the General Manager:

Ms. Gladfelter recounted how there had been a discussion last year about whether the form that is used by the Members and the Port Council to evaluate Mr. Lamson's performance should be changed, but that the Members had not created a committee to consider this subject. Therefore, Ms. Gladfelter stated that she thought the same form should be used this year, which she said was a rather good form, and that later this year Mr. Huss, as Chairman of the Port Council, can ask the Members to appoint a joint committee of Members and Port Council members to recommend what form should be used the following year.

The other Members agreed, although Mr. Hanover stated that he also thought the current evaluation form was an excellent one.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to adopt the form attached to Staff Summary #HR-16-46, dated May 10, 2016, for the performance evaluation of the General Manager.

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

Appointment of RSM LLP as the Authority's Independent Auditors:

Mr. Davis then asked the Members to approve the re-appointment of RSM US LLP (formerly known as McGladrey LLP) as the Authority's independent auditors for the years ending December 31, 2016, 2017 and 2018. Mr. Davis noted that RSM has proposed an audit plan for 2016 which is similar to this year's scope of services and includes an in-depth review of the Authority's general computer controls and procedures as well as compliance with the complexities of the Governmental Accounting Standards Board's pronouncements relating to pension liabilities. Mr. Davis also noted that RSM has a personnel rotation policy to provide the highest level of client services with the least amount of disruption to the Authority, as well as a review of audit findings by a concurring partner which provides the Authority with a different perspective without the need to change audit firms.

Mr. Davis stated that RSM's proposed fee for this upcoming year's work is \$126,200, the same as this past year's fee, and that it includes both the annual audit and a Circular No. A-133 audit, which is required because the Authority anticipates receiving more than \$500,000 in federal grants this year. Finally, Mr. Davis also noted that, at their meeting earlier this month, the Port Council voted to recommend the re-appointment of RSM. Mr. Jones then recounted how he had attended the audit meeting this year, where RSM reported that there were no discrepancies at all with respect to the Authority's \$100,000,000 of annual

revenues and expenditures and that Mr. Davis and his staff had done an outstanding job.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to re-appoint RSM US, LLP as the Authority's independent auditors to provide comprehensive financial audits and related services as follows:

- (a) for the fiscal year ending December 31, 2016, for a total fee of \$126,500;**
- (b) for the fiscal year ending December 31, 2017, for a total fee of \$127,850 (or \$112,850 if no single audit is required); and**
- (c) for the fiscal year ending December 31, 2018, for a total fee of \$129,500 (or \$114,500 if no single audit is required);**

as recommended by management in Staff Summary #A-594, dated May 9, 2016.

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

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day and had also discussed the staff's preliminary report on the feasibility of providing freight service between New Bedford and Martha's Vineyard. Mr. Huss stated that the Port Council had concluded that, if such a freight service is provided, shipping freight from New Bedford should be self-sufficient and not cost the Authority any money. Mr. Huss stated that, at this point, he did not see that happening, but that it is still on the table. Meanwhile, Mr. Huss said, the Towns of Oak Bluffs and Tisbury were continuing to look at the possibility of barging trash off of the island, but not much progress has been made on that endeavor.

Mr. Huss also reported that:

- the Port Council agreed that the Authority should move its Martha's Vineyard reservation office from the Martha's Vineyard airport to the Vineyard Haven terminal;
- the Port Council discussed Mr. Lamson's evaluation and agreed that they should see whether there is a better way to evaluate his performance than using the current evaluation form; and
- the Port Council made some suggestions to the staff's plans to refurbish the *M/V Martha's Vineyard*, including moving the port aft stanchion on the freight deck forward a little bit so that cars can get into that area more easily, which was something that Mr. Walker said he possibly could do.

Mr. Hanover stated that he had spoken with Tisbury Selectman Tristan Israel about the efforts by the Towns of Oak Bluffs and Tisbury to barge trash off of the island, and that Mr. Israel had informed him that he hoped the Authority would take the lead on this. Mr. Hanover stated that, while Mr. Israel was getting frustrated with the Towns' lack of progress, they did not have the resources at this time to pursue this alternative, and he suggested that the Authority schedule a meeting with everyone who would be involved in such operation, including Ralph Packer and representatives from the Crapo Hill Landfill. After Mr. Lamson stated that he would set up such a meeting, Ms. Gladfelter noted that the public was in the process of submitting comments to the staff on their preliminary report about New Bedford freight service and that, after the staff compiles and forwards those comments to the Members, the subject can be discussed at a future public meeting.

At approximately 10:47 a.m., Ms. Gladfelter entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining, because a public discussion of these matters in an open meeting may have a detrimental effect on the Authority's negotiating positions. Ms. Gladfelter announced that these matters included bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, and that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter

announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
May 17, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. May 17, 2016 Meeting Memorandum, dated May 12, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the April 19, 2016 Meeting in Public Session (draft).
4. Business Summary for the Month of March 2016.
5. Slide Presentation – Steamship Authority Board Meeting, May 17, 2016 at the Nantucket Whaling Museum, Nantucket, MA.
6. Slide Presentation – Thomas B. Landers Rd. Parking Lot – Stormwater Improvements.
7. Staff Summary #E 2016-14, dated May 12, 2016 – “*M/V Martha's Vineyard* Mid-Life Refurbishment.”
8. Staff Summary #TPF-2016-6, dated May 11, 2016 – Relocation of the Reservation Office at the Martha's Vineyard Airport.
9. Staff Summary #TPF-2016-8, dated May 16, 2016 – Seastreak's Request to Operate an Additional Departure from Nantucket to New Bedford on May 30, 2016.
10. Staff Summary #TPF-2016-7, dated May 16, 2016 – Charter Agreement with Seastreak for One Trip from Nantucket to Hyannis on May 30, 2016.
11. Staff Summary #L-458, dated May 11, 2016 – Approval of Proposed Amendment to the Lease and Easement Agreement With the Falmouth Youth Hockey League.
12. Staff Summary #A-593, dated May 9, 2016 – 2015 Analysis of Rates versus Cost of Service.
13. Staff Summary #A-595, dated May 9, 2016 – Approval of Manager in Connection with the Authority's Alcoholic Beverages Licenses.
14. Staff Summary #E 2016-11, dated May 12, 2016 – E2016-CAP-02, “Procurement of Emergency Generator for the Fairhaven Vessel Maintenance Facility.”
15. Staff Summary #E 2016-12, dated May 12, 2016 – Contract 12-16, “Dry-dock and Overhaul Services for the *M/V Sankaty*.”
16. Staff Summary #E 2016-13, dated May 12, 2016 – Contract 13-16R, “Supply and Deliver Two (2) USCG Approved Rescue Boats.”

May 17, 2016
Minutes of the Public Session

17. Staff Summary #HR-16-46, dated May 10, 2016 – Performance Evaluation of the General Manager.
18. Staff Summary #A-594, dated May 9, 2016 – Appointment of RSM LLP as the Authority's Independent Auditors.
19. Minutes of the Port Council's May 4, 2016 Meeting (draft).
20. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

June 21, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 21st day of June, 2016, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

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

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions would be making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television (MVTv).

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to approve the minutes of the Members' meeting in public session on May 17, 2016.

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

Review of Memorial Day Weekend Operations:

Mr. Lamson reported that the Authority was very busy over the Memorial Day weekend, observing that, while the Authority carried 4.2% more passengers on the Martha's Vineyard route this year than it did last year, it carried even more passengers on the Nantucket route. Indeed, Mr. Lamson said, on the Nantucket route the Authority carried 11.6% more passengers on the *M/V Iyanough* and 18.1% more passengers on its traditional ferries than it did over the 2015 Memorial Day weekend.

Mr. Lamson also reported that, on Memorial Day, all of the Authority's high-speed ferry trips leaving Nantucket were essentially sold out, and that there were passenger cutoffs on some of the Authority's traditional ferry trips, requiring some customers to wait until the next sailing. Mr. Lamson observed that it was a good thing that the Authority had chartered SeaStreak's high-speed ferry to run an extra trip off-island that day, which carried around 375 passengers, and that the charter worked very well from a customer service standpoint. Finally, Mr. Lamson reported that the Authority also parked more cars over the Memorial Day weekend than in 2015, which was another indication that overall the Authority had a good Memorial Day weekend this year.

Ms. Gladfelter suggested that, instead of having the Authority's traffic statistics report on the number of cars parked on a daily basis regardless of how long each of those cars stay in the parking lots, they should instead report on both the number of cars parked in the lots on a daily basis and the average number of days those cars stay in the parking lots, observing that this resulting "car days parked" figure would be similar to the Authority's use of "car-equivalent spaces" in its traffic reports.

In response to a question from Mr. Jones, Mr. Lamson stated that the Authority's charter of SeaStreak's vessel on Memorial Day did end up paying for itself, although he acknowledged that, if the Authority had not chartered that

extra trip, at least some of the passengers that traveled on the trip would have traveled with the Authority on other trips later in the day. In response to another question from Ms. Tierney, Mr. Lamson stated that he thought the Authority had a larger increase in its passenger traffic on the Nantucket route this year than on the Martha's Vineyard route because Hy-Line has stopped operating any traditional ferry service on the Nantucket route. After Ms. Tierney observed that this would still not explain the 11.6% increase in the number of passengers carried on the *M/V Iyanough*, Mr. Lamson stated that the increase in the number of high-speed ferry passengers was perhaps due to the Authority's improved customer service and its marketing efforts. Ms. Tierney agreed, saying that within a half-hour time period that morning, she had seen four advertisements for the Authority on the television.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for April 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 4.2%), more automobiles (up 2.2%) and more trucks (up 4.5%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating loss for the month had been around \$666,000, approximately \$310,000 lower than what had been projected.

Mr. Lamson also reported that the Authority's net operating loss for the first four months of 2016 had been \$10,613,000, around \$2,889,000 lower than expected, with operating revenues and other income having been \$1,296,000 higher than projected during that period and operating expenses and fixed charges \$1,593,000 lower than projected. But Mr. Lamson noted that, as seen on page 7 of the business summary, much of that variance will be offset over the next few months as the Authority completes some projects that either were not included in the 2016 Operating Budget or were anticipated to be completed by April 2016, such as the additional dry-dock expenses for the *M/V Governor* and the *M/V Sankaty*, dolphin repairs at the Nantucket terminal, and restroom renovations at the Nantucket and Hyannis terminals.

In response to a question from Mr. Hanover, Mr. Davis stated that the 236 trips that were reported as having been canceled for mechanical reasons on the Martha's Vineyard route during April 2016 consisted primarily of freight trips that were going to be made by the *M/V Katama*, which was unavailable that month while one of its reduction gears was repaired. However, Mr. Davis noted

that page 3 of the business summary also reported that 270 unscheduled trips were added on that route during April 2016, and that those trips similarly included the trips operated by the *M/V Nantucket* in place of the *M/V Katama* that month.

The Delivery of the *M/V Woods Hole*:

Mr. Lamson then reported that everyone at the Authority had been very busy with the *M/V Woods Hole* this past month, recounting how:

- on May 20th, Conrad Shipyard had a christening ceremony for the vessel while it was still in Louisiana (where Ms. Gladfelter, who christened the vessel, did a great job representing the Authority);
- on Monday, June 6th, Conrad then delivered the vessel at the Authority's Fairhaven Vessel Maintenance Facility after a 5-½ day trip from Louisiana;
- on June 8th, the Authority accepted and took possession of the vessel;
- on June 13th, the Authority had a commissioning ceremony for the vessel in Woods Hole (and was honored to have in attendance United States Representative William Keating, State Senator Viriato deMacedo, State Representative Timothy Madden, John Waterhouse from Elliott Bay Design Group and Dan Conrad from Conrad Shipyard), and then sailed the boat to Vineyard Haven and Nantucket for open houses that Monday and Tuesday before placing it into regular service on the Martha's Vineyard route on June 17th.

Mr. Lamson also reported that it took quite an effort on everyone's part, but that the Authority finally received the vessel's Certificate of Inspection from the United States Coast Guard on June 16th, just one day before going into regular service. Meanwhile, Mr. Lamson said, the Authority was still waiting for the Alcoholic Beverage Control Commission to issue an alcoholic beverages license for the vessel.

Mr. Lamson further reported that, the prior week, the Authority discovered a little bit of an issue with the vessel being down in the bow while underway at certain speeds, but he stated that the Authority's Captains were continuing to make adjustments with respect to how the vessel's ballast tanks generally should be used, and that more recently the vessel appeared to be operating with better trim. In this regard, Mr. Lamson also noted that Elliott Bay Design Group was continuing to consult with the Authority on what further steps, if any, should be taken as additional information becomes available.

Finally, Mr. Lamson recognized and thanked all of the Authority's employees who have worked tirelessly on this project over the past few months, including Mr. Walker, Senior Captain Al Brox, Senior Chief Engineer John Stanton, and Fleet Personnel Administrator Joe Russas, who did most of the crew training. Mr. Lamson observed that it was truly a team effort, along with Conrad Shipyard and the United States Coast Guard, which enabled the Authority to reach this final milestone, and that the Authority now has a terrific boat that can be used year round on both routes for a long time to come.

Ms. Gladfelter recounted how she had the opportunity in Louisiana to meet Conrad employees and that they had told her what a good working relationship they had with the Authority, which Authority employees similarly had told her about their relationship with Conrad. Ms. Gladfelter further noted that representatives from Elliott Bay Design Group, which works for ferry systems all over the continent, also had told her that the Authority is a fine organization, and that these compliments from all these different people were a tribute not only to the Authority's management team, but to all of its employees who together make a system that works.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the prior week the Authority had submitted its comprehensive responses to all of the public comments that the Massachusetts Department of Environmental Protection (DEP) had received on the Authority's application for a Chapter 91 license and water quality certificate in connection with its Woods Hole terminal reconstruction project. Mr. Lamson stated that the staff expects that DEP will complete its technical review of the application and issue a draft license later this summer. Of course, Mr. Lamson observed, the Authority also needs a U.S. Army Corps of Engineers' permit for the project before any work can begin.

Mr. Lamson also reported that earlier this month the Authority received a variance from the Massachusetts Architectural Access Board that will allow the 24-foot gangways that will be located on the piers for passenger side loading onto the Authority's larger ferries to be steeper than the maximum slope for ramps during high-tide conditions. Finally, Mr. Lamson reported that the Authority also has filed its application for a variance from the State Appeals Board so that the first floor elevation of the temporary terminal building can be lower than the 13-foot base flood elevation for the site. Mr. Lamson noted that the Authority eventually will need another variance for the first floor elevation of the new terminal building so that it can be lower than 16 feet above sea level.

In response to a question from Mr. Hanover, Messrs. Lamson and Sayers stated that they did not believe that any of the public comments received by DEP on the Authority's Chapter 91 application raised any concerns that that were not previously addressed by the Authority in the permitting process.

Maximo Maintenance Management Information System:

Ms. Claffey then reported that the Authority, with the assistance of its consultant, Aquitas Solutions, Inc., had completed the necessary changes so that its computer tablets can be used by the Authority's Senior Captains and Senior Chief Engineers when they are working with the Maximo computerized maintenance management information system. Ms. Claffey noted that one of the Senior Captains was currently working with a tablet and that, after the Authority makes certain that the tablets are working as they should, the rest of the tablets will be deployed to everyone in the fleet who needs to work with them.

In response to a question from Ms. Gladfelter, Ms. Claffey stated that the tablets will not be issued to individual Captains and Chief Engineers, but rather they will be assigned to particular vessels and used by whichever Captains and Chief Engineers are working on those vessels.

Other Information Technology Improvements:

Ms. Claffey also reported that the new e-ticketing and visual boarding system the Authority has implemented for the *M/V Iyanough* has proven to be a great improvement, and that the Authority also now has over 56,000 customers who have signed up to receive text messages immediately when they receive matches for their wait list requests.

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

Mr. Lamson then reported that the Authority's staff had changed their plans for how the Authority is going to proceed with the *M/V Martha's Vineyard* mid-life refurbishment project. Mr. Lamson noted that, due to the long lead times for certain items of new equipment needed for the refurbishment, the Authority would have had difficulty finishing the project on time to have the

vessel back in line service by next spring, and that the Authority also would have had to furnish those items to the shipyard as owner-furnished equipment.

Therefore, Mr. Lamson stated that the staff is now planning to have the mid-life refurbishment accomplished in two phases pursuant to two separate contracts. Mr. Lamson stated that the first contract, which will be awarded at next month's meeting, will be for only work associated with the dry-docking of the vessel this fall, including the required hull work and the painting of the exterior of both the hull and superstructure. Mr. Lamson stated that, in January 2017, the Authority will then award a second contract for the remaining work, including gutting the interior, all of which can be accomplished without dry-docking the vessel. Mr. Lamson noted that this should result in more shipyards submitting bids for the second contract and will also allow the shipyard that receives that contract to order all of the equipment itself with an extra six months lead time so that everything will be on hand when the vessel is delivered to the shipyard the following fall.

In response to a question from Mr. Hanover, Mr. Walker stated that the new bow and stern doors on the *M/V Martha's Vineyard* will be stainless steel industrial version roller doors with an electric motor and manual back-up similar to the doors on the *M/V Woods Hole*. Mr. Walker also noted that the bow doors will be sturdier because they will need to withstand waves, while the stern doors will be more like garage doors that just have to operate so that they can close to keep the freight deck dry.

Revisions to the Martha's Vineyard
Route's 2016 Fall Operating Schedule:

Mr. Lamson then reported that, because of the change in plans for the *M/V Martha's Vineyard* mid-life refurbishment project, the Authority will now be able to bring the *M/V Woods Hole* into repair from December 8, 2016 through January 3, 2017. As a result, Mr. Lamson said, the staff was recommending that the Authority maintain the previously approved 2016 Fall Operating Schedule for the Martha's Vineyard route only from October 12, 2016 through December 7, 2016, the time period that the *M/V Woods Hole* will be assigned as the freight boat on that route and during which period the *M/V Woods Hole's* first trip from Woods Hole will be at 5:30 a.m. However, Mr. Lamson stated that, after the *M/V Woods Hole* is replaced on that route by the *M/V Sankaty* on December 8, 2016, the staff was recommending that the *M/V Sankaty's* first trip from Woods Hole will be at 6:15 a.m. instead of at 5:30 a.m., because trucks will have to back up to be loaded onto the *M/V Sankaty*.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the changes to the 2016 Fall Operating Schedule for the Martha's Vineyard route during the period from December 8, 2016 through January 3, 2017, as proposed by management in Staff Summary #TPF-2016-9, dated June 14, 2016.

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

2017 Budget Policy Statement:

Mr. Davis then asked the Members to approve the staff's proposed 2017 Budget Policy Statement that will set forth the guidelines the staff is to use for developing the revenue and expense estimates for the Authority's 2017 Operating Budget. Mr. Davis observed that, if approved, the Budget Policy Statement would require the staff, among other things:

- to base the Authority's projected operating revenue primarily on actual traffic statistics for what will then be the most recent 12 months (August 2015 through July 2016), although the staff will include slightly increased revenue projections to reflect additional capacity due to the substitution of the *M/V Woods Hole* for other freight vessels next year and any increased ridership the Authority experiences on its traditional ferries on the Nantucket route this summer now that the Authority is the only provider of traditional service on that route;
- to base the Authority's projected vessel operating expenses in part on the operating schedules the staff will be proposing over the next few months for 2017;
- to include depreciation for the new modular building at the Authority's Fairhaven Vessel Maintenance Facility and the *M/V Woods Hole*;
- to identify significant terminal repairs and maintenance that will be needed;

- to schedule the vessels that will be dry-docked during 2017 (the *M/V Martha's Vineyard*, *M/V Katama* and *M/V Gay Head*);
- to assume that existing job vacancies will be filled while staffing requirements for the Information Systems group will be evaluated and adjusted accordingly and vessel manning will be in accordance with all legal and contractual requirements with the continuation of the Wiper-to-Oiler promotional training program;
- to take into account the Authority's expected training expenses due to the continuation of a number of different training programs, including STCW basic training, Marine Evacuation Slide (MES) training, customer service training, discrimination prevention training, and rescue boat, security and oil spill prevention and response training;
- to assume that technology will continue to be used to improve customer service and reduce the Authority's operating costs, primarily with the enhancement and expansion of mobile ticketing;
- to assume that the Authority will maintain the same types of advertising, although the appropriate mix of media usage will continue to be re-evaluated; and
- to assume that the Authority's health care expense will reflect the continuation of employee contributions for 20% of the expected annual costs of coverage and that any changes in coverage required by the Affordable Care Act will be included in the annual cost estimates (as will the cost of the legislatively required extension of paid sick time to seasonal employees).

Mr. Davis also noted that one of the Authority's more significant operating expenses is vessel fuel oil and that, as for the past few years, the proposed 2017 Budget Policy Statement would require the staff to base the budgeted cost of vessel fuel oil on next year's cap prices or the then-current forecasts for oil prices during 2017 (plus the premium cost of the hedging program), whichever is lower. Mr. Davis observed that, currently, the barrel price of crude oil is trading in the \$40 - \$50 range while a year ago at this same time crude oil was trading in the \$55 - \$65 range. In addition, Mr. Davis said, the Authority's hedge program for expected vessel fuel consumption for 2017 already has been executed through the first half of the year with an average cap price of \$2.04 per gallon and that, by comparison, this year's average budgeted cost for vessel fuel is \$2.21 per gallon.

Mr. Davis further noted that, pursuant to the proposed 2017 Budget Policy Statement, the budget would allow the Authority to maintain sufficient fund balances to meet its scheduled debt service requirements and to adequately fund cash transfers to the Replacement Fund (in an amount not less than this year's anticipated transfer of \$8,900,000 but not to exceed the Authority's projected depreciation expense for 2016, which is currently estimated at \$10,773,000). Finally, Mr. Davis, said, in preparing a preliminary operating budget using these guidelines, the staff will be making all efforts to avoid the need for any additional rate increases, and the preliminary budget will be presented to the Members for discussion in September before the final version of the budget is approved in October.

IT WAS VOTED -- upon Ms. Tierney's motion, seconded by Mr. Ranney -- to adopt the 2017 Budget Policy Statement in the form attached to Staff Summary #A-596, dated June 16, 2016, as recommended by management.

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

Purchase of Two Rescue Boat Davits:

Mr. Lamson informed the Members that, pursuant to the authorization they had given him last month, the prior week he had awarded Contract #13-16R for two USCG-approved rescue boat davits to Coastal Marine Equipment, Inc. of Gulfport, Mississippi, which was the only eligible and responsible bidder for the contract, for a Total Contract Price of \$163,800. Mr. Lamson noted that the cost estimate for the rescue boat davits had been \$127,000, that one of them will be installed on the *M/V Sankaty*, and that the other one will be put on the *M/V Martha's Vineyard* during its mid-life refurbishment.

2016 Wage and Salary Program for Non-Union Personnel:

Mr. Lamson then asked the Members to approve the Authority's 2016 non-union personnel wage and salary program, observing that the Authority's consultant, Willis Towers Watson, was recommending an aggregate 3% increase in the total budget for all unrepresented employees' salaries, including a 2.1% increase in the salary structure (the range of salaries within each salary grade), based upon their review of salary budget surveys for 2015-2016. In response to a question from Ms. Gladfelter, Mr. Parent stated that, in his experience, the consultant's salary recommendations have not changed significantly from year to year since the 1980s.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to approve the Authority's 2016 non-union wage and salary increase program, as set forth in Staff Summary #GM-671, dated June 16, 2016.

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

Performance Evaluation of the General Manager:

After Ms. Gladfelter suggested that the Members give their individual evaluation of Mr. Lamson's performance over the past year, Mr. O'Brien stated that, while he had made a lot of comments in the evaluation form, overall he thought that Mr. Lamson's performance this year had been the same as his performance the prior year, which he declared to be outstanding. Mr. O'Brien then stated that he did not think he needed to say anything more than that.

Ms. Tierney stated that she thought evaluating Mr. Lamson's performance, which she was doing for the first time, was quite challenging, and she observed that the form itself did not allow the Members to credit him for all of the different matters that he had been overseeing at the same time this past year, which she said had been quite the year. Ms. Tierney stated that she thought Mr. Lamson

was an outstanding face of the Authority and that he had surrounded himself with wonderful people and good team players who make everyone look very good because he is comfortable in his quiet confidence. Ms. Tierney also noted that, if she had any criticism, it would be that Mr. Lamson is more patient than she would be with a few of the Authority's financial arrangements with its licensed ferry operators, but she repeated that she thought he is just an outstanding face of the organization.

Mr. Hanover then stated that he echoed what had been said by the other Members and that he thought Mr. Lamson's performance had been excellent. Mr. Hanover also noted that he had worked with three other General Managers and that the job that Mr. Lamson was doing now was by far the most exemplary. Mr. Hanover further observed that it was a difficult job juggling so many matter and that Mr. Lamson does it flawlessly.

Mr. Ranney similarly stated that he echoed all of the comments that had been made, and that he had given Mr. Lamson 98 out of 100 just because there is always room for improvement. Mr. Ranney noted that as great as Mr. Lamson is and that he was close to a perfect General Manager as the Members could hope for, there is always more that can be done.

Ms. Gladfelter stated that she had been impressed with how the people who work with Mr. Lamson enjoy working with him and appreciate his style, and she commented that she thought he is more demanding than the Members realize. But Ms. Gladfelter also observed that Mr. Lamson is very supportive of people and expects them to use their initiative. Noting that the boats are great and clean and run on time, Ms. Gladfelter declared that there was nothing more that the Members could want.

Mr. Huss reported that the Port Council had also evaluated Mr. Lamson's performance, and that every Port Council member had said that he deserved an A+ or a rating of 95% and above, reflecting what the Members had said that day. Mr. Huss also stated that everything stated about Mr. Lamson had been very positive, and that one Port Council member had even commented that he walks on water.

Mr. Lamson then thanked the Members for their kind comments, feedback and support, and he observed that the staff works very hard continuously, seven days a week. Mr. Lamson also noted that his job is a big challenge and that he looks forward to it every day.

Establishment of a Committee to Recommend Next Year's
Procedures for the General Manager's Performance Evaluation:

Ms. Gladfelter then stated that she and Mr. Huss had talked about the idea of establishing a committee to recommend next year's procedures and forms for the General Manager's performance evaluation, and that she was proposing that the committee be comprised of two Members and as many additional Port Council members that the Port Council might decide to select. Ms. Gladfelter also stated that she hoped the committee would be able to meet during the months of July and August so that their recommendation could be presented to the Members at their September meeting.

Ms. Gladfelter also observed that the current evaluation form was a good starting point for the committee's discussion, and that the committee might recommend that the form be retained in its entirety, or that the Members do something completely different, or follow something in between. Ms. Gladfelter emphasized, however, that the evaluation process and form would be used to evaluate not just Mr. Lamson, but whoever is subsequently in the position of the Authority's General Manager.

Ms. Gladfelter further noted that one of the issues she had with the current form is that it does not allow the Members to evaluate how well Mr. Lamson has overseen progress towards achieving his goals each year, just on whether he has completed each of his goals. Mr. Huss agreed, saying that almost every Port Council member had expressed the same concern and observed that the form should allow an evaluation of whether the General Manager is making steady progress towards his goals.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Mr. Ranney -- to establish a committee to recommend next year's procedures and forms for the General Manager's performance evaluation.

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

Ms. Gladfelter then stated that Mr. Ranney had volunteered to serve on the committee, and she asked Mr. O'Brien whether he would be willing to serve as well. But Mr. O'Brien stated that he thought it would be better for someone else to serve on the committee, as he had come up with the form the Authority currently was using. Accordingly, Ms. Gladfelter volunteered to also serve on the committee with Mr. Ranney.

Mr. Huss then stated that the Port Council would select their two members of the committee at their next meeting, and Ms. Gladfelter suggested that the committee could then have their first meeting immediately after that Port Council meeting.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, including the staff's reports on the Maximo computerized maintenance management system and the Authority's e-ticketing system, both of which were progressing well, and the reasons for completing the *M/V Martha's Vineyard's* mid-life refurbishment in two phases and revising the 2016 Fall Operating Schedule for the Martha's Vineyard route. Mr. Huss also reported that each Port Council member had given his evaluation of Mr. Lamson's performance over the previous twelve months and that all of them had been extremely positive. Further, Mr. Huss said, Catherine Bumpus had similarly stated that Mr. Lamson was continuing to do an excellent job and that she was very pleased with how he was working with the Woods Hole community. Finally, Mr. Huss reported that the Port Council had also discussed possibly revising the forms and the process used to evaluate the General Manager's performance next year.

Hyannis Harbor Tours, Inc. (Hy-Line):

Hy-Line Vice President R. Murray Scudder, Jr., stated that he echoed everyone's comments about Mr. Lamson, observing that he has worked with him for many years and has the greatest respect for him and their relationship.

Mr. Scudder then noted that it was a very challenging time for Hy-Line due to the delayed delivery of the *M/V Grey Lady IV* and the need to take the *M/V Vineyard Lady* out of service, but that they were remaining positive knowing that

they will get through all of this. Mr. Scudder stated that he was heading to the shipyard the next day for an update on the status of the *M/V Grey Lady IV*, as they had been informed of further delays and did not yet have a specific date for the vessel's delivery. Nevertheless, Mr. Scudder said, they were positive and optimistic that the vessel will be delivered by the end of July and, after making some dry runs, will then be in service a few days after her delivery.

Mr. Scudder also stated that Hy-Line had exhaustively looked at options to augment its service during this time period knowing that it was going to be challenging due to the fact that there are not very many vessels available during the summer that are suitable, reliable and meet the operational requirements of Hy-Line's routes. While Mr. Scudder stated that Hy-Line had pursued a couple of options that they thought would be helpful, all of them had fallen through and Hy-Line will not be able to procure another vessel until the arrival of the *M/V Grey Lady IV*.

Mr. Scudder then stated that, to add a little more difficulty to the situation, Hy-Line was now down to two vessels due to a casualty on the *M/V Vineyard Lady* involving the coupling between the engine and the gear box. Mr. Scudder observed that the replacements needed by Hy-Line were not off-the-shelf items, as they were manufactured in Germany. However, Mr. Scudder stated that Hy-Line had identified an option in the United States and that he hoped to receive more information about that option later that day. Mr. Scudder also stated that Hy-Line was checking the alignment of both of the vessel's engines, but that they did not feel there were any alignment issues. Mr. Scudder noted that this problem came at a bad time, but that in the future they will have a new coupling and a replacement coupling in the event of another casualty.

Mr. Scudder then noted that Hy-Line had cancelled its inter-island service and its service between Hyannis and Martha's Vineyard through the following Sunday, and that John Sylvia of SeaStreak had offered to provide whatever help SeaStreak could during this period. Mr. Scudder stated that he was happy to receive those offers and was remaining positive.

In response to a question from Mr. Hanover, Mr. Scudder stated that a coupling could be manufactured, shipped and installed within five days if it were made in the United States, but that such a timeframe would be unlikely if it has to come from Germany. The Members then wished Mr. Scudder well with all of his efforts.

At approximately 10:34 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, contract negotiations with nonunion personnel, and potential litigation, because a public discussion of these matters may have a detrimental effect on the Authority's bargaining, negotiating and litigating positions. Ms. Gladfelter announced that these matters included bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, the Authority's employment contract with Mr. Lamson, the potential disposal of property located at 220 Palmer Avenue in Falmouth, and the potential acquisition of property located at 1249 Route 28A in Cataumet. After announcing that the Members may also conduct contract negotiations with Mr. Lamson in executive session, Ms. Gladfelter stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would reconvene in public after the conclusion of the executive session.

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

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

At approximately 11:50 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County). Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury and Port Council member Robert R. Jones of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Contract Negotiations with the General Manager:

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to increase Wayne C. Lamson's salary by three and one-half percent (3.5%) effective July 1, 2016.

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

Then, at approximately 11:52 a.m., Ms. Gladfelter stated that she would entertain a motion to adjourn the meeting.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
June 21, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. June 21, 2016 Meeting Memorandum, dated June 16, 2016.
2. Video and Audio Recording Announcement.
3. Minutes of the May 17, 2016 Meeting in Public Session (draft).
4. Memorial Day Weekend Traffic Comparisons (2014, 2015 and 2016), revised June 21, 2016.
5. Business Summary for the Month of April 2016.
6. Staff Summary #TPF-2016-9, dated June 14, 2016 – 2016 Fall Martha's Vineyard Operating Schedule.
7. Staff Summary #A-596, dated June 16, 2016 – 2017 Budget Policy Statement.
8. Staff Summary #E 2016-15, dated June 16, 2016 – Contract 13-16R, "Supply and Deliver Two (2) USCG Approved Rescue Boat Davits."
9. Staff Summary #GM-671, dated June 16, 2016 – Proposed 2016 Wage and Salary Increase for Non-Union Personnel.
10. Minutes of the Port Council's June 1, 2016 Meeting (draft).
11. Statement to be Read Prior to Going into Executive Session.

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

The Meeting in Public Session

July 19, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 19th day of July, 2016, beginning at 9:30 a.m., in the first floor meeting room of the Oak Bluffs Public Library, located at 56R School Street, Oak Bluffs, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

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

Recognition of Public Officials:

Ms. Gladfelter welcomed Dukes County Commissioner Leon Brathwaite, who was in the audience today.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on June 21, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for May 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 0.5%), more automobiles (up 1.6%) and more trucks (up 3.5%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$1,622,000, approximately \$351,000 lower than what had been projected, due to operating revenues and other income being \$374,000 higher than projected, and operating expenses, fixed charges and other expenses being \$725,000 higher than projected. Mr. Lamson stated that the variance in the Authority's operating expenses for the month primarily had been attributable to dry-docking expenses for the *M/V Governor* (\$750,000) and the need to replace one of the *M/V Katama's* reduction gears (\$237,000).

Mr. Lamson also reported that the Authority's net operating loss for the first five months of 2016 had been \$8,991,000, around \$2,538,000 lower than expected, with operating revenues and other income having been \$1,671,000 higher than projected during that period and operating expenses and fixed charges \$867,000 lower than projected. But Mr. Lamson noted that, as seen on page 7 of the business summary, a portion of that variance will be offset over the next few months as the Authority completes some projects that either were not included in the 2016 Operating Budget or were anticipated to be completed by May 2016, such as the additional dry-dock expenses for the *M/V Sankaty*.

Mr. Lamson also noted that it appeared the Authority's market share of passenger traffic to the islands was being affected with all of the changes to the operations of the licensed private ferry operators this year, and he observed that it will be interesting to see how that progresses over the rest of the summer.

In response to a question from Ms. Tierney, Mr. Lamson stated that the relatively large increase in the number of cars parking by the Authority in its Hyannis parking lots during the month of May might have been attributable to efforts on the part of the Town of Barnstable to enforce parking restrictions in Hyannis. Mr. Lamson also noted that the Authority had been quite busy over the Memorial Day weekend, and he predicted that the Authority would see more cars being parked in its Hyannis parking lots as the Town continued to prevent people who travel to the islands from parking in other public parking areas.

In response to another question from Ms. Tierney, Mr. Lamson stated that the Authority has anticipated that it will need more parking capacity in Hyannis due to the Town's efforts, and he noted that, beginning in July, the Authority has had access to 200 more parking spaces at the Hyannis Transportation Center. Finally, Mr. Lamson noted that, in response to a request made at the last Authority meeting, Mr. Davis has set forth on the first page of the business summary the average length of stay for cars parked in the Authority's lots.

The *M/V Woods Hole*:

Mr. Lamson then reported that the *M/V Woods Hole* had been providing service between Woods Hole and Martha's Vineyard for more than a month now, that it was operating pretty much as the Authority had hoped, and that everything seemed to be working out well. Mr. Lamson noted, however, that there were two principal outstanding issues with the vessel:

- The SSA still needs to balance the vessel's HVAC system, as some areas are not as cool as other areas. However, Mr. Lamson reported that technicians were continuing to work on that.
- Possibly because the vessel's bow squats more than its stern due to its hull form, the vessel has a bow wake that comes up in front of the boat, particularly at higher speeds (14 knots) and in shallower waters (where the water depth is 10 feet below the keel), that can result in a change of the vessel's trim and may get worse in rough weather.

Mr. Lamson stated that the Authority was working with the vessel's designer, Elliott Bay Design Group, and its consultant Force Technology, who have been doing some computer modeling to determine what should be done for the long term, and that options include possibly removing one of the vessel's spray rails or modifying the bulbous bow. Meanwhile, Mr. Lamson said, the Authority's Captains were experimenting with different ballasting weights, particularly when the vessel is lightly loaded, that appear to have addressed the

problem for the short term. But Mr. Lamson stated that he did not know whether the vessel could have ballast water in the stern when it provides service on the Nantucket route, as it will also need to carry 10 trucks each weighing 100,000 pounds and have a draft of no more than 10 feet (to allow for the six-inch service life margin before the vessel's draft ultimately reaches 10.5 feet). Mr. Lamson also noted that this problem had not occurred during the vessel's sea trials or its delivery trip, possibly because the vessel was operating in deeper water.

Mr. Lamson further reported that the Authority also had agreed with Conrad Shipyard upon a punch list of work items that still need to be completed with respect to the vessel, and that the staff was having weekly conference calls with Conrad about the items on that punch list. Mr. Lamson noted that the Authority continued to have a very good relationship with Conrad, who was allowing the Authority to fix certain items on the list and submit bills for the completed work. In addition, Mr. Lamson said, the Authority was planning to take the vessel out of service from December 8, 2016 through January 3, 2017 to work on any continuing problems that the Authority might still be having at its Fairhaven Vessel Maintenance Facility.

In response to a question from Mr. Hanover, Mr. Lamson stated that it did not appear that the model of the vessel's hull had been tested at different tank water depths in Denmark, and that he did not even know whether the model had been tested while operating at different drafts. But Mr. Lamson noted that Force Technology still had the model in its possession so it could perform some additional testing with it. Mr. Hanover then stated that the vessel had been very well received by the public, that it is very comfortable, and that people were very happy with it.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority was still waiting for the Massachusetts Department of Environmental Protection to complete its technical review of the Authority's application for a Chapter 91 license and water quality certificate for the Woods Hole terminal reconstruction project, although the Authority still hopes to receive the license later this summer. In addition, Mr. Lamson said, the United States Army Corps of Engineers still needs to act on the Authority's application for a federal permit for the project.

Mr. Lamson also reported that, earlier that month, the Authority had received a variance from the State Building Code Appeals Board so that the first floor elevation of the temporary terminal building can be lower than the 13-foot

base flood elevation for the site. Mr. Lamson noted that the Authority will need to use the temporary terminal building beginning in 2018 when the current terminal building is demolished until the new permanent terminal building is built near the end of the project's six-year construction period. Mr. Lamson also noted the Thomas Hopkins, Executive Director of the Massachusetts Architectural Access Board, had written a letter to the State Building Code Appeals Board in support of the Authority's request for a variance. Mr. Lamson stated that he was pleased with that outcome because the Authority will now not have to build additional ramps and switchbacks to the temporary terminal building in order to make it accessible, and he observed that the Authority eventually will also need to apply for a similar variance for the permanent terminal building because, even though the first floor elevation of that building will be at the current 13-foot base flood elevation for the site, the State Building Code was in the process of being amended to require the first floor elevations of buildings to be two to three feet higher than the base flood elevations for their sites.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the temporary terminal building will be comprised of a series of modular units with a flat roof, and that the Authority will be using it for around six years.

The Authority's New General Offices:

Mr. Lamson then reported that the Authority's design team was finalizing the design for the Authority's new General Offices office building that will be located in the Palmer Avenue parking lot so that an invitation for bids for the construction of the building can be issued next month and the Members can award the construction contract at their September meeting. Mr. Lamson noted that construction of the building was expected to take around fourteen months so that the building should be completed by the end of 2017, which will allow the current General Offices building to be demolished in early 2018.

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

Mr. Lamson recounted how, the previous year, the Authority had planned to start the mid-life refurbishment of the *M/V Martha's Vineyard* this fall and have it completed by next spring. However, Mr. Lamson said, last month, he had reported that the staff had changed their plans and had decided to have only the vessel's dry-dock work performed this fall and then, in January 2017, award a second contract for the remaining work which would be accomplished the

following off-season. However, Mr. Lamson stated that, since then, it had been determined that the vessel would also have to dry-docked during the second phase of the project in order to blast, paint and replace steel for the superstructure, and to replace the vessel's windows. Therefore, Mr. Lamson said, the staff had decided not to proceed with the project in two phases; instead the entire project will be accomplished under one contract that will be awarded in January 2017 and the vessel's dry-docking will take place in the fall of 2017 instead of this fall. Mr. Lamson noted that this approach will also allow plenty of lead time for the shipyard that is awarded the contract to order all of the necessary equipment.

In response to a question from Mr. Hanover, Mr. Lamson stated that the vessel would be in the shipyard from September 11, 2017 through January 31, 2018 (including the vessel's travel time to and from the shipyard) and that, after it returns, the vessel would remain in Fairhaven another month or so for some additional work. Mr. Lamson also noted that there will still be almost another month before the start of the 2018 Spring Schedule, so the Authority will have some leeway in the event of any delays. In this regard, Mr. Lamson recounted how the late delivery of the *M/V Woods Hole* had been due in part to delays in the delivery of equipment to the shipyard from suppliers that the Authority had required the shipyard to use so that the Authority would have more standardized equipment among its vessels.

Preliminary Version of the Proposed
2017 Winter and Spring Operating Schedules:

Mr. Lamson then reviewed with the Members the preliminary version of the staff's proposed 2017 Winter and Spring Operating Schedules for discussion purposes only, noting that the proposed schedules would be posted on the Authority's website and advertised in the local newspapers so that the public will have the opportunity to comment on them prior to the Members' next meeting on August 16, 2016. Mr. Lamson stated that, as currently proposed:

- The winter operating schedules (January 4, 2017 through March 16, 2017) will remain the same as they were during this time period in 2016 for both the Martha's Vineyard route and the Nantucket route. During this time, the *M/V Woods Hole* will be assigned to the Nantucket route from January 4th through February 20th (when the *M/V Nantucket* will be operating in place of the *M/V Eagle*) and then be assigned to the Martha's Vineyard route through March 16th (when the *M/V Nantucket* will be operating in place of the *M/V Island Home*).

- The early spring operating schedules will also remain the same as they were last year for both routes, except that they will end earlier (on March 31st instead of April 11th). The *M/V Woods Hole* will also continue to be assigned to the Martha's Vineyard route while the *M/V Island Home* remains in repair.
- The spring operating schedules will begin 11 days earlier than this past year and end on May 15, 2017. During this schedule, the staff is also proposing to single crew the *M/V Sankaty* so that it operates exclusively on the Nantucket route Mondays through Fridays, instead of operating on both routes (a few days on the Nantucket route during the middle of the week and on the Martha's Vineyard route around the weekends) as it did this past spring schedule. Mr. Lamson noted that the staff does not believe that the Martha's Vineyard route will need this additional vessel on weekends next year during the spring because both the *M/V Island Home* and the *M/V Woods Hole* will be assigned to that route during that time period.

Mr. Lamson also reported that, while the first freight trip from Woods Hole to Martha's Vineyard will be at 6:15 a.m. during the winter schedule, the staff is proposing to again change the time of that freight trip so that it leaves at 5:30 a.m. beginning March 17, 2017, when the *M/V Woods Hole* is assigned to that route so trucks will not need to back up in order to be loaded onto the vessel. Mr. Lamson noted that the earlier freight boat departure will result in an additional early morning trip from Martha's Vineyard which will allow island residents to travel off-island earlier in the day. In addition, Mr. Lamson said, it will spread out the trucks that the Authority carries to the island during the morning so that they arrive at the terminal over a longer period of time and can then be staged prior to being loaded without having to back up (and use their back-up alarms) as much.

Mr. Lamson recounted how this change had been made several years ago by eliminating a freight trip late at night (around 10:00 p.m.) that no one was using and replacing it with a freight trip earlier in the morning. Mr. Lamson noted that, not only did the early morning freight trip off-island become popular, but it has resulted in a domino effect throughout the day, allowing more island residents to go off-island earlier in the day when they need to travel. Mr. Lamson emphasized, however, that regardless when the first freight trip of the day is scheduled, the staff will continue to mitigate whatever noise is generated by the Authority's early morning operations as much as possible.

Mr. Hanover asked Mr. Lamson to review the Authority's traffic figures over this past year's school vacation weeks to make certain there is enough capacity during next year's school vacation weeks for island residents to travel. In response, Mr. Lamson stated that, during February 2017, the only freight boat on the Martha's Vineyard route was scheduled to run only Mondays through

Fridays, but that the Authority would be able to assign additional crews to that boat to provide extra service. Mr. Lamson also noted that Mr. Rozum reviews the Authority's operating schedules very closely and knows exactly which weeks next year are school vacation weeks.

Mr. Lamson then summarized all the measures that staff had taken over the past year to minimize the noise generated at the Woods Hole terminal during its early morning operations, including but not limited to:

- having its variable message sign on Route 28 advising truck drivers between midnight and 5:00 a.m. not to show up at the terminal before 5:00 a.m.;
- sending out letters to the Authority's regular freight shippers asking them to keep the noise down; and
- staging trucks differently in the morning so that there is only a minimal need for them to back up and use their back-up alarms.

Mr. Rozum also noted that, if a freight shipper repeatedly arrives at the Woods Hole terminal before 5:00 a.m., the Authority increases its penalties and ultimately will not honor its reservations.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Martha's Vineyard Community Television (MVTv) was now setting up to make a video and audio recording of the rest of today's meeting in public session.

The Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard:

Mr. Lamson then reported that, in the last two and one-half months since the staff issued their preliminary report on the feasibility of providing freight service between New Bedford and Martha's Vineyard, he had received three comments on the report, including:

- a letter from New Bedford Mayor Jonathan Mitchell in which he asked that any freight service from New Bedford be consistent with the recently released New Bedford Waterfront Framework Plan;

- an email from one of the Authority's regular freight shippers who expressed his gut reaction that the service will not work on a voluntary basis and will result in reduced productivity; and
- a lengthy letter from Woods Hole resident Nat Trumbull, the same person who has raised a number of complaints about noise from the Woods Hole terminal during the early morning.

Mr. Lamson stated that the staff would take all of these comments into consideration when it finalizes the report over the next several months, and he asked whether any of the Members had any comments or suggestions they would like to make at this time. In response, Ms. Gladfelter stated that she had sent a memorandum to Mr. Lamson the previous day that contained comments based upon a meeting she and Falmouth Port Council member Robert S.C. Munier had with the Falmouth Board of Selectmen, and she asked that Mr. Lamson forward those comments to the Port Council so that the subject could be discussed next month.

Ms. Tierney stated that she would like the staff to first discuss this subject with New Bedford Mayor Mitchell, observing that while New Bedford is interested in expanding its relationship with the Authority, it already has developed a master plan for the New Bedford State Pier. When Ms. Gladfelter noted that having such a meeting was one of the recommendations of the staff's preliminary report, Ms. Tierney stated that she thought the meeting should take place before the report is finalized, rather than afterwards, in order to more fully explore what New Bedford's interest would be in having a freight service to Martha's Vineyard.

Mr. Lamson stated that he would follow up with that request and also look further into the City's master plan for the New Bedford State Pier. He then asked the Members whether there was anything else the staff should be considering, observing that he did not want the Authority to be accused of setting up the freight service to fail, especially when there are only so many ways that it can be operated.

Ms. Tierney asked if the staff had considered whether the Authority will need a back-up terminal during the reconstruction of the Woods Hole terminal, which she stated might be another issue that should be addressed in the report. In response, Mr. Lamson observed that one of the principal objectives of the reconstruction project was to build some redundancy into the facility by building three operational slips. However, Mr. Lamson stated that the staff could look into the possibility of providing service from New Bedford as a contingency plan in the event the entire terminal were to be taken out of commission.

Ms. Tierney then suggested that the staff might want to further address the issue of whether freight service from New Bedford would reduce traffic on Woods Hole Road and, if so, by how much. However, Ms. Gladfelter stated that she did not think that the reduction of traffic on Woods Hole Road should be the driving factor of this study, at least from the Authority's point of view. Instead, Ms. Gladfelter said, the Authority should focus on what will be necessary to provide for the island's transportation needs in the future. In this regard, she agreed with Ms. Tierney that service from New Bedford might be needed in the short term during the reconstruction of the Woods Hole terminal, but she declared that in the long term service from New Bedford will still be needed because the island's traffic will exceed the capacity of both Woods Hole Road and the Woods Hole terminal.

In response, Mr. Lamson stated that the Authority has always responded to whatever the traffic demand has been, but he noted that several years ago the Martha's Vineyard Commission had developed growth projections for the island and he did not know whether they could be updated. However, Ms. Gladfelter observed that not only should the Martha's Vineyard Commission be involved in these discussions about the island's future transportation needs, but public officials from Falmouth and New Bedford needed to be involved as well.

Mr. Lamson also noted that the Authority was reconstructing the Woods Hole terminal so that there will not be any service disruptions due to the failure of any dolphins or other structures. In any event, Mr. Lamson said, all of these issues could be discussed at next month's meeting and, meanwhile, the staff would ask to meet with New Bedford Mayor Mitchell before then.

Clarence A. (Trip) Barnes stated that, while he has been following this subject in the newspaper, it has not been discussed by the Martha's Vineyard Commission (of which he is a member) and he thought it should be. Mr. Barnes also noted that he and the other freight shippers in attendance at today's meeting represented a pretty good cross section of the Authority's freight customers and that they were all opposed to freight service from New Bedford because it takes too much time to travel to and from the island. Instead, Mr. Barnes said, the Authority should consider carrying cars from New Bedford, as people traveling from Connecticut and New York would love to get on a ferry there.

John Leite of JWL Transport then stated that there needed to be more opportunity for comments about this subject from the public, especially from freight shippers. Mr. Leite observed that the proposed ferry service from New Bedford would affect public commerce, which is the life blood to the island, and that the Authority already had tried to provide freight service from New Bedford

but that it had failed. Mr. Leite declared that, if the Authority wanted to reduce traffic, it should carry cars from New Bedford.

Mr. Leite further stated that there was a tremendous amount of wear and tear on his trucks due to their being transported on open freight boats, and they always had to be washed down so that the drivers can see out of the windshields. Mr. Leite acknowledged that the Authority was receiving complaints from a couple of disgruntled neighbors who bought next to a State highway, but he declared that sympathy only goes to a certain point and that common sense then has to prevail. Mr. Leite also noted that, if the Authority were to require freight shippers to travel from New Bedford, it would have a larger group of disgruntled people. For these reasons, Mr. Leite said, the Authority needed to reach out to the trucking community and have that community be part of this discussion. By contrast, Mr. Leite stated that car traffic out of New Bedford would not have a negative effect on anyone.

Vineyard Haven resident Marie Laursen observed that Vineyard Haven was the island's only year-round port and that it was choking on traffic as much as Falmouth was. Ms. Laursen stated that her concern was that, if the Authority opened a new port on the mainland, it would result in more boats coming into Vineyard Haven and making a miserable traffic situation even worse, and it also would increase the prices of goods because the ferry trip will be twice as long. Ms. Laursen implored the Members not to add any more ferry trips to Vineyard Haven or inadvertently begin a service that will increase island residents' cost of living. Instead, Ms. Laursen said, the Authority should reduce the number of ferries coming out of Woods Hole.

Treasurer/Comptroller's Report:

Mr. Davis reported that the Authority had carried more passengers (up 5.8%), more automobiles (up 1.9%) and more trucks (up 3.9%) during the month of June 2016 than it had carried during the same month in 2015, and that the Authority's net operating income for that month was expected to be around \$3,900,000, approximately \$850,000 higher than what had been projected, due in part to operating revenues being \$350,000 higher than projected and operating expenses being \$270,000 lower than projected. Mr. Davis also reported that the Authority's net operating loss for the first six months of 2016 was expected to be around \$5,100,000, around \$3,400,000 lower than expected.

Change Order to Contract No. 16-2015 for
Dry-dock and Overhaul Services for the M/V Governor:

Mr. Lamson then asked the Members for their approval of a change order in the amount of \$246,923.39 for the replacement of a substantial amount of steel on the *M/V Governor's* hull that was completed by Thames Shipyard this past spring, noting that he was authorized to approve change orders only if they are in the amount of \$200,000 or less. Mr. Lamson stated that, when the vessel was in the shipyard, the United States Coast Guard had required the Authority to replace more steel on the vessel's hull than anticipated and that the work was done without obtaining the Members' authorization to avoid delays. Mr. Lamson also noted that the Authority did not receive the change order until after the vessel already was back in line service, although he observed that the amount of the change order was reasonable for the amount and complexity of the work that was performed.

While acknowledging that he enjoys riding on the *M/V Governor* as much as anyone on a nice day, Mr. Hanover expressed his concern about how much money the Authority was spending, and might have to continue to spend, in order to keep the vessel in operation. In this regard, Mr. Hanover recounted how, a few years ago, the Authority had spent \$1,000,000 on new engines for the boat (which were ultimately intended to be placed into another freight boat) and how the cost of this particular contract had been \$2,000,000.

In response, Mr. Walker stated that the work performed during this last dry-docking was intended to make certain that the Authority can get five to seven more years out of the vessel, and when the vessel was in the shipyard and underwent void blasting, the exposed structure revealed wastage that was not evident through many years of coatings. Mr. Walker reported that inspections then determined that a substantial amount of steel in the vessel's hull required replacement, far more than the 300 square feet of readily accessible hull plating replacements/inserts, at a price of \$52,000, that had been provided for in the original dry-dock and overhaul services contract. But Mr. Walker assured the Members that all of the steel work for the vessel for the next five to seven years had been taken care, and that the vessel should last until 2022 without having to have any more steel work done to it.

Mr. Walker further stated that, while he knew the Authority has spent a lot of money on the *M/V Governor*, it was a good boat both mechanically and steel-wise. Further, Mr. Walker said, he already had a plan to address the recent problem that had occurred with the vessel, which will cost around \$25,000 to fix, and that he would be presenting that plan to the United States Coast Guard soon.

However, Mr. Walker acknowledged that the Authority did have a problem with change orders coming in later than they should, and he placed some of the blame on his department for not knowing the status of change orders as projects proceed along. But while Mr. Walker stated that the Authority needed to do a better job with respect to that issue, the quality of the work performed by Thames Shipyard was good; they just do not prepare the paperwork while they are completing the work that is required.

IT WAS VOTED -- upon Mr. O'Brien's motion, seconded by Ms. Tierney -- to approve a change order relative to Contract No. 16-2015, Dry-dock and Overhaul Services for the M/V Governor, for the replacement of a substantial amount of steel on the ship's hull, in the amount of \$246,923.39, as recommended by management in Staff Summary #E 2016-17, dated July 14, 2016.

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

General Manager's Goals and Objective:

Mr. Lamson noted that, every July, he presents his proposed goals and objectives for the next twelve months to the Members for their consideration and approval, and that he also presents them first to the Port Council for their review as well. This year, Mr. Lamson said, the Port Council had made one change to his proposed goals, which were now as follows:

1. Resolving any outstanding contractual and operational issues with respect to the M/V Woods Hole.
2. Oversee the completion of the permitting phase in connection with the proposed reconstruction of the Woods Hole terminal.
3. Oversee the issuance of Invitations for Bids and the award of contracts by the Board for the construction of a temporary terminal building in

- Woods Hole and the Administrative Offices at the Palmer Avenue parking lot.
4. Oversee the final design and engineering and the issuing of an Invitation for Bids in connection with the M/V Martha's Vineyard mid-life refurbishment project.
 5. Oversee the implementation of electronic ticketing for walk-on passengers traveling on traditional ferries.
 6. Finalize the staff's report on the feasibility of providing freight service between New Bedford and Martha's Vineyard.
 7. Oversee the move of the Martha's Vineyard Reservation Office to the second floor of the Vineyard Haven terminal.
 8. Work with the Board on developing a selection process and transition plan for the appointment of Mr. Lamson's successor.
 9. Pursue capital grant funding opportunities from the U.S. Department of Transportation's Federal Transit Administration through the Cape Cod Regional Transit Authority.

After Mr. Lamson stated that his eighth goal was to work with the Members on developing a selection process and transition plan for the appointment of his successor, he noted that he had informed the Members that he would be retiring as of June 30, 2017. Ms. Tierney then asked Mr. Lamson if he could change that date from June 30, 2017 to June 30, 2018, but Mr. Lamson stated the Members had sufficient time to appoint a new General Manager to take over beginning July 1, 2017, particularly since he thought the Authority was in a good place with its current management team and employees.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. O'Brien -- to approve the General Manager's goals and objectives for the period from July 1, 2016 through June 30, 2017, as proposed by the General Manager.

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

Ms. Tierney abstained from voting on Mr. Lamson's goals.

A member of the audience stated that she disagreed with Mr. Lamson's seventh goal to oversee the move of the Martha's Vineyard Reservation Office to the Vineyard Haven terminal, as it was nice to have Reservation Clerks at the Martha's Vineyard Airport and there is parking there. She also stated that it will be very difficult for her to drive to Vineyard Haven to make her reservations. In response, Mr. Hanover stated that he understood that some of the Reservation Clerks were quite pleased about moving to Vineyard Haven and that they were tired of the working conditions at the Martha's Vineyard Airport. Mr. Hanover also noted that the number of transactions processed in person at the airport had fallen substantially over the past several years and that the majority of reservations are now being made online. Finally, Mr. Hanover observed that none of the Reservation Clerks would be losing their jobs.

Transition Plan and Search/Selection
Process for the New General Manager:

Mr. Lamson noted that the Authority had used different search/selection processes for its General Managers over the years, some with success and some without, and that the Members could decide this time to conduct a search with just in-house support or with the assistance of an executive search firm. But Mr. Lamson noted that before advertising for a new General Manager, the Members should decide upon a job description for the position that included the experience and qualities that the Members want their new General Manager to have.

Mr. Lamson also observed that the other option would be to promote a qualified individual from within the Authority who has institutional knowledge and would be able to maintain and improve what already has been accomplished. In this regard, Mr. Lamson suggested that, once the Members agree upon the job description for the position, as well as the experience and qualities they want their new General Manager to have, an internal candidate who has those qualities and experience might be interested in moving up and taking on the General Manager's additional duties. If so, Mr. Lamson said, the Authority could then use the next twelve months to train and promote other capable individuals in the organization to fill the vacancies that are created.

Mr. Lamson then suggested that the Members might want to start with the job description that was last developed for the search they conducted in 2004 before he was selected to be the Authority's General Manager. Mr. Lamson also noted that, on the two previous occasions when the Members filled the position,

the Authority had conducted national searches with the assistance of an executive search firm and had selected candidates from the outside (Fred Raskin in 2002 and Armand Tiberio in 1995). Prior to that, Mr. Lamson said, the Members had promoted someone from within the Authority (Barry Fuller in 1988). Finally, Mr. Lamson noted that some of the current Members had been involved in some of those previous selection processes.

Mr. Hanover then stated that he had gotten lucky once and that he did not know whether he would be successful again. But he stated that the Members may want to exercise due diligence and conduct a national search, although he thought that there were also some internal candidates who could be successful in that role.

Mr. O'Brien noted that he had been involved in the Authority's prior three searches for a General Manager, recounting how the last search had been called off when Mr. Lamson informed the Members that he was willing to accept the job. Mr. O'Brien also observed that the Town of Barnstable recently had conducted a search for a new Town Manager and that the process works well when an outside firm is hired to develop the criteria for the position and vet the potential candidates before presenting the results of the search to a committee that is small enough to function effectively for the purpose of selecting finalists who are then considered by all of the Members. Accordingly, Mr. O'Brien stated that he would recommend that the Members go through that type of process.

Mr. Jones suggested that, if the Members were to establish a search committee, it include two Port Council members. Mr. O'Brien then stated that, in his opinion, the committee should be appointed as soon as possible so that it could start the process with a review of the General Manager's job description and decide how much money the Authority should spend on an outside search firm. Messrs. O'Brien and Hanover then volunteered to be on the committee and Ms. Gladfelter asked Mr. Huss if, at their next meeting, the Port Council could select two Port Council members to serve on the committee as well.

Renovation of the Falmouth Bus Station:

Mr. Lamson then reported that, the prior week, he had met the Falmouth Economic Development and Industrial Corporation (EDIC), which is in charge of renovating the Falmouth bus station and is looking for a place to store Peter Pan buses overnight when reconstruction work begins this fall. Mr. Lamson stated that the staff had concluded the buses cannot be stored at the Authority's Palmer Avenue parking lot, but that he had proposed allowing the Falmouth EDIC to store the buses at the Authority's now-closed Gifford Street parking lot for the

next five to six months. Mr. Lamson stated that, while the Falmouth EDIC had not yet taken up the Authority on his offer, either the Falmouth EDIC or Peter Pan would be required to assume all responsibility and liability arising out of their use of the Authority's property and would also be responsible for snow plowing the property so that the buses can use it during the winter.

After Mr. Lamson observed that, even if the Falmouth EDIC were to decline the offer, the Authority at least has made a good faith effort to help them with their renovation project, the Members agreed that the buses should be allowed to use Gifford Street parking lot under these conditions.

Meeting Schedule:

Mr. Lamson then asked the Members if they could change the date of their September meeting from September 20, 2016 to September 27, 2016, saying that the additional week would give the Authority more time to open bids for the construction of the new General Offices so that the contract can be awarded at the September meeting on Nantucket. All the Members stated that the change of date was fine with them, except for Ms. Tierney, who said that she would check her schedule and get back to Mr. Lamson.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, including the issues with the *M/V Woods Hole*. In this regard, Mr. Huss stated that he has heard nothing but good comments from people on the island about the vessel, and that everyone who has ridden on it says that it comfortable. Mr. Huss further reported that people think it looks like a cute bathtub toy.

Mr. Huss also reported that Ms. Claffey had updated the Port Council with respect to the Maximo computerized maintenance management system and its electronic ticketing program, and that the Port Council, after hearing how the Authority was trying to mitigate as much of the early morning noise from the Woods Hole terminal as possible, had felt that the staff was doing a good job. Finally, Mr. Huss noted that the Port Council as a whole was very disappointed that Mr. Lamson will be retiring, but he stated that they wished him all the best and that they will miss him tremendously.

Public Comment:

Julie Robinson, who owns a small business in Edgartown and Vineyard Haven, stated that people do not go to shop in those towns because of the traffic, and that the island cannot afford to have more cars because they eventually will kill the island. Ms. Robinson stated that there should be a petition to get the Authority to limit the number of vehicles that come to the island and that the island residents need to work with the Authority on this issue. Ms. Robinson observed that the island was not built for all of these cars and that they are not good for business. Ms. Robinson also stated that she liked having the Authority's Martha's Vineyard Reservation Office at the Martha's Vineyard airport.

Marie Laursen stated that she agreed with Mr. Hanover's observations about the working conditions for the Authority's Reservation Clerks at the airport, but she objected to adding more traffic to downtown Vineyard Haven, saying that sometimes it is simply impossible to get around there. Ms. Laursen asked the Members to find another place for the Reservation Office, suggested that the Tisbury Park and Ride lot would be a good location, and asked the Members to take over responsibility for that lot so that people would see the Authority as part of the solution instead of part of the problem.

Mr. Lamson noted that island residents will be able to go to the Authority's Oak Bluffs terminal, as well as its Vineyard Haven terminal, to make their reservations, so during the Authority's summer schedule they will still be able to make their reservations in person without having to travel to Vineyard Haven.

In response to a question from *Martha's Vineyard Times* reporter Nelson Sigelman, Mr. Lamson stated that more than 100 people had signed a petition complaining about early morning noise from the Woods Hole terminal, but that not all of those people live close to Woods Hole Road. Mr. Lamson also stated that the Authority's immediate Woods Hole neighbors have told him that they have seen improvements in how that Authority has mitigated the noise from the terminal and have thanked him for what has been done; but Mr. Lamson noted that he has continued to receive complaints from a handful of people who live farther away from the terminal.

Mr. Lamson also stated that he thought it was reasonable for the Authority to not allow freight shippers to arrive at the Woods Hole terminal prior to 5:00 in the morning, noting that it is important for the Authority to continue operating the 5:30 a.m. trip, which benefits the freight shippers by allowing them to travel to the island early in the day. Mr. Lamson also noted that this summer the Authority also has been operating a 5:30 a.m. freight trip from Vineyard Haven. Mr. Sigelman then asked Mr. Lamson whether he had received any complaints

from island residents about early morning noise generated by the Vineyard Haven terminal, and Mr. Lamson stated that he had not.

At approximately 11:14 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's bargaining and negotiating positions. After, Ms. Gladfelter announced that these matters included bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, the potential disposal of property located at 220 Palmer Avenue in Falmouth, and the potential acquisition of property located at 1249 Route 28A in Cataumet, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
July 19, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. July 19, 2016 Meeting Memorandum, dated July 14, 2016.
2. Minutes of the June 21, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of May 2016.
4. Staff Summary #E 2016-16, dated July 14, 2016 – “*M/V Martha's Vineyard* Mid-Life Refurbishment.”
5. Staff Summary #TPF-2016-10, dated July 13, 2016 – Preliminary Version of Proposed 2017 Winter and Spring Operating Schedules.
6. Staff Summary #GM-672, dated July 14, 2016 – Public Comments Received in Response to the Staff's Preliminary Report dated April 12, 2016 on the Feasibility of Providing Freight Service between New Bedford and Martha's Vineyard.
7. Staff Summar #E 2016-17, dated July 14, 2016 – Change Order – Contract 16-15, “Dry-dock and Overhaul Services for the *M/V Governor*.”
8. General Manager's Goals (Proposed) for the Year July 1, 2016 through June 30, 2017.
9. Minutes of the Port Council's July 6, 2016 Meeting (draft).
10. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
August 16, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 16th day of August, 2016, beginning at 9:30 a.m., in the second floor meeting room of the Authority's Hyannis terminal, located at 141 School Street, Hyannis, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

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

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on July 19, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for June 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 5.8%), more automobiles (up 1.9%) and more trucks (up 3.9%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$4,077,000, approximately \$1,037,000 higher than what had been projected, due to operating revenues and other income being \$377,000 higher than projected, and operating expenses, fixed charges and other expenses being \$660,000 lower than projected. Mr. Lamson stated that the variance in the Authority's operating expenses for the month primarily had been attributable to timing differences in the dry-docking expenses for the *M/V Sankaty*.

Mr. Lamson also reported that the Authority's net operating loss for the first six months of 2016 had been \$4,914,000, around \$3,575,000 lower than expected, with operating revenues and other income having been \$2,048,000 higher than projected during that period and operating expenses and fixed charges \$1,527,000 lower than projected. But Mr. Lamson noted that, as seen on page 7 of the business summary, the variance in the amount of the Authority's budgeted operating expenses essentially will be eliminated in next month's report due to this summer's unbudgeted dry-dock expenses for the *M/V Sankaty*, and the Authority's total operating expenses were then expected to be back in line with the staff's original budget projections.

Mr. Lamson then noted that the Authority has increased its market share of the passenger traffic to and from Martha's Vineyard, but he acknowledged that this increase could be attributable to the extended service interruptions that Hy-Line experienced on that route this summer. With respect to the Nantucket

route, Mr. Lamson observed that, while passenger traffic on that route had increased by 10.7% during the month of July, the number of passengers carried by the Authority had increased by only 3.2%, resulting in a loss of market share on that route. Further, Mr. Lamson said, the Authority had seen almost no increase in the number of passengers traveling on its traditional ferries on that route despite the fact that Hy-Line had discontinued its traditional ferry service this year.

Mr. Ranney expressed his concern that, even though the Authority's vessels had sailed 3,500 fewer miles than budgeted during the first six months of 2016, they had consumed 4,437 more gallons of fuel than what had been budgeted. In response, Mr. Lamson stated that part of that increase in fuel consumption was attributable to the *M/V Woods Hole*, whose fuel consumption was higher than what the staff had originally estimated, but he expressed his hope that the vessel's fuel consumption will decrease as its Captains become more experienced with its operation. In addition, Mr. Lamson said, the vessel had consumed additional fuel during several training sessions and traveling to the various open houses.

Mr. O'Brien suggested that some of the *M/V Woods Hole*'s higher rate of fuel consumption was attributable to the vessel's bow wake, which causes it to push a lot of water. While Mr. Lamson agreed that this might also be a factor, Mr. Walker noted that the vessel was also carrying 1,000,000 pounds of vehicles and was often leaving the dock late. Mr. Rozum agreed, observing that the vessel's schedule allowed for turnarounds of only 15 minutes for its first three trips of the day, and it was burning more fuel to make up the time during those trips. In this regard, Mr. Hanover recounted how that vessel had left the dock ten minutes late on the trip he took that morning, but had arrived at Woods Hole on time.

The *M/V Woods Hole*:

Mr. Lamson reported that the *M/V Woods Hole* was operating pretty much as expected and that there had not been too many issues so far. Mr. Lamson also reported that the staff continues to have weekly conference calls with Elliott Bay Design Group about short-term and long-term modifications that can be made to the vessel's spray rails and bulbous bow to eliminate the vessel's bow wake when it travels at 14 knots in shallow water (a depth of ten feet or less below the keel). In this regard, Mr. Lamson reported that the initial computer modeling indicates that the Authority would not see a huge benefit by changing either the shape or the size of the bulbous bow, but that the model simulations

get progressively better as more of the spray rails were cut back (all the way to nine feet). Therefore, Mr. Lamson said, the Authority's maintenance employees have been scheduled to complete this modification themselves that night and, meanwhile, the vessel's Captains are continuing to operate the vessel at less than 14 knots in shallow water and keeping the stern down by a foot in both preloaded and loaded conditions.

Mr. Lamson also reported that there were still some issues with the HVAC in the forward passenger areas, especially when the doors to the outside deck are open and the air conditioning comes on due to the warmer outside air coming in. In response to questions from Mr. Hanover and Ms. Gladfelter, Mr. Walker stated that those doors are power assisted in order to be ADA compliant and that they have to be operational at all times, but he stated that he would investigate whether the timing of the doors could be changed.

Finally, Mr. Lamson reported that the staff also continues to have weekly telephone conferences with Conrad Shipyard to follow up on the remaining punch list items for the vessel, and that Conrad continues to be very responsive.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority has received the water quality certificate from the Massachusetts Department of Environmental Protection for the Woods Hole terminal reconstruction project, but that it was still waiting for a draft Chapter 91 license for the project, as well as the Army Corps of Engineers permit, and that the staff hoped to receive both of those by the end of the month.

The Authority's New General Offices:

Mr. Lamson also reported that the Authority was currently going through a prequalification process that is required by state law for general contractors and subcontractors who want to submit bids for the construction of the Authority's new administrative office building, and that the Authority could not issue an invitation for bids for the construction contract until after the prequalification process is completed. Mr. Lamson noted that, during the first round of the prequalification process, the Authority prequalified seven general contractors to submit bids for the contract and at least three subcontractors in 12 of the 13 required subtrades. However, Mr. Lamson said, because the Authority was unable to prequalify at least three subcontractors for the elevator

subtrade, it has to go through the prequalification process a second time with respect to that subtrade.

Mr. Lamson further reported that, as a result of this second round of the prequalification process, the earliest the Authority can issue the invitation for bids for the contract will be in early September and, accordingly, the earliest the contract can be awarded will be at the Authority's meeting on October 18, 2016. However, Mr. Lamson stated that, after the contract is awarded, the construction of the building was still expected to take around fourteen months so that it is completed by the end of 2017.

Mr. Lamson noted that the Authority will also be building a temporary terminal building at the Woods Hole terminal next year, and he stated that the request for proposals for that building will be issued later this fall. Meanwhile, Mr. Lamson said, construction of the new administrative office building will begin in November, and the barn that is located where the new building will be constructed will be demolished after Labor Day. In this regard, Mr. Lamson noted that the bids for the demolition for the barn already had been opened and that they were less than \$100,000.

SeaStreak's Request to Extend Its
Seasonal New Bedford-Nantucket Service:

Mr. Lamson reported that SeaStreak had withdrawn its request to extend its high-speed passenger ferry service between New Bedford and Nantucket through Columbus Day this year because of a problem with one of its other vessels. However, Mr. Lamson stated that SeaStreak had informed him that it would like to extend this service through Columbus Day next year and that it will be submitting such a request at a later time for the Members' consideration.

Ms. Tierney then recounted how she recently had traveled with SeaStreak from New Bedford to Nantucket and that, even though the trip encountered rough weather, the vessel was very full and the passengers seemed to like it a lot. Ms. Tierney also noted that SeaStreak was offering valet parking in New Bedford, which was very convenient for its customers, many of whom are from New York.

In response to a question from Mr. O'Brien, Mr. Lamson stated that it was still too early to tell what effect SeaStreak's new service was having on the Authority's ridership, and that Mr. Davis was still putting together the traffic statistics for the month of July. However, Mr. Lamson noted that SeaStreak had

informed the Authority that, during that month, it had carried around 10,000 passengers between New Bedford and Nantucket, while the Authority's ridership on that route had increased by less than 1,000 passengers. Ms. Gladfelter then suggested that the staff prepare a full report after the end of the summer season, observing that the Members' respective communities will be interested in that information.

2017 Winter and Spring Operating Schedules:

Mr. Lamson then asked the Members to approve the staff's proposed 2017 Winter Operating Schedules for the period from January 4 through March 16, 2017, noting that the schedules were advertised in the local newspapers the prior month. Mr. Lamson also observed that the schedules are substantially the same as the schedules the Authority operated this past winter through March 15, 2016, although next year the *M/V Woods Hole* was designated to be the freight boat on the Nantucket route during the winter schedule through February 20, 2017 (while the *M/V Eagle* is in repair), and then the freight boat on the Martha's Vineyard route for the remainder of the winter schedule (while the *M/V Island Home* is in repair). Mr. Lamson also noted that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members approve these proposed schedules.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the 2017 Winter Operating Schedules as proposed by management in Staff Summary #TPF-2016-12, dated August 9, 2016.

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

Proposed 2017 Early Spring and Spring Operating Schedules:

Mr. Lamson announced that the staff was waiting until next month to ask the Members to approve their proposed 2017 Early Spring and Spring Operating Schedules which were presented at last month's Authority meeting, as those schedules were just advertised in the local newspapers a few weeks ago.

Proposed 2017 Summer and Fall Operating Schedules:

Mr. Lamson then reviewed the preliminary version of the staff's proposed 2017 Early Summer, Summer, Late Summer and Fall Operating Schedules, noting that the staff is proposing to start the early summer, summer and late summer schedules two days earlier than this year and to end the late summer schedule four days later (which will also result in the fall operating schedule starting four days later). Mr. Lamson stated that, if approved, the proposed schedules will basically provide the same level of service as the Authority is providing during these same periods this year. However:

- During the 2017 summer schedule (June 15th through September 6th) on the Martha's Vineyard route, the staff was proposing to operate one freight boat – the *M/V Governor* – and three large passenger/vehicle ferries – the *M/V Island Home*, the *M/V Martha's Vineyard* and the *M/V Nantucket*, which will replace the *M/V Woods Hole*; and the *M/V Woods Hole* will in turn replace the *M/V Nantucket* on the Nantucket route. Mr. Lamson stated that, while the *M/V Woods Hole* does not have as much passenger capacity as the *M/V Nantucket*, the staff thinks that the Nantucket route will benefit by its ability to carry more trucks in the center lanes of its freight deck.
- During the late 2017 summer schedule (September 7th through October 15th), the staff was proposing to keep the *M/V Woods Hole* on the Nantucket route with the *M/V Eagle* and the *M/V Gay Head*, and assign the *M/V Island Home* and the *M/V Nantucket* on the Martha's Vineyard route with the *M/V Governor* and the *M/V Sankaty*, as the *M/V Martha's Vineyard* will be leaving at the beginning of this schedule for its mid-life refurbishment.
- During the early summer, summer and late summer schedules, the staff was proposing to continue operating the 5:30 a.m. freight trip from Woods Hole with the *M/V Governor*, as it is a drive-through vessel that minimizes the need for trucks to use their back-up alarms. However, during the proposed fall schedule, when the *M/V Sankaty* will be the freight boat on

the Martha's Vineyard route, the first freight trip from Woods Hole will be at 6:15 a.m.

- During all of the schedules (beginning May 16th), the staff was proposing to adjust the times of some of the freight boat departures on the Martha's Vineyard route during the day so that, instead of arriving and departing 15 minutes after the larger passenger/vehicle ferries, they will arrive and depart 20 minutes later (a difference of five minutes). Mr. Lamson noted that this will provide more of a break in traffic between the vehicles that are unloaded from the larger ferries and the vehicles that are then unloaded from the freight boats.

After Mr. Lamson noted that the staff's proposed 2017 operating schedules for the *M/V Iyanough* were the same as this year's schedules, except that the high-speed passenger service between Hyannis and Nantucket would resume with that vessel on April 1st next year instead of April 12th, Mr. Rozum stated that the proposed 2017 summer schedule for the Martha's Vineyard route from June 15th through September 6th also has the *M/V Nantucket's* last daily trip on Mondays through Thursdays going to Vineyard Haven instead of Oak Bluffs so that the vessel does not have to deadhead to Vineyard Haven after the end of that trip. Finally, Mr. Lamson announced that the staff would be publishing these schedule changes in the local newspapers so that the public will have thirty days to comment on them before the Members' next meeting on September 27, 2016.

Treasurer/Comptroller's Report:

Mr. Davis reported that the Authority had carried more passengers (up 4.6%), more automobiles (up 3.9%) and fewer trucks (down 1.4%) during the month of July 2016 than it had carried during the same month in 2015, and that the Authority's net operating income for that month was expected to be around \$7,700,000, approximately \$325,000 lower than what had been projected, due to operating revenues being \$365,000 higher than projected and operating expenses being almost \$800,000 higher than projected. Mr. Davis also reported that the Authority's net operating income for the first seven months of 2016 was expected to be around \$2,800,000, around \$3,250,000 higher than expected.

Change Order to Contract No. 12-2016 for
Dry-dock and Overhaul Services for the M/V Sankaty:

Mr. Lamson then asked the Members to approve a change order for the construction of a larger aft ballast tank in the *M/V Sankaty* than originally planned while it is in Thames Shipyard this summer. Mr. Lamson noted that the change order includes the cost of additional steel and wasted steel replacement to construct the new ballast tank, in the amount of \$200,226.37, and then provides a credit in the amount of \$88,470.72 based upon changes made to the original plans, for a net cost of \$111,755.65.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve a change order relative to Contract No. 12-2016, Dry-dock and Overhaul Services for the M/V Sankaty, to construct a new ballast tank, in the amount of \$111,755.65, as recommended by management in Staff Summary #E 2016-18, dated August 11, 2016.

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

Disposal of Surplus Property:

Mr. Lamson then asked for authorization from the Members to dispose of a large amount of surplus property that is no longer of use to the Authority and is currently being stored at a number of the Authority's facilities. Mr. Lamson stated that, if authorized, the Authority's Procurement Officer, Peggy Nickerson, will use www.govdeals.com, an online auction website, to sell most of the surplus equipment to the general public, although a few unique items will be marketed at cost in certain targeted publications and areas. Mr. Lamson also stated that, at this time, the sale was planned for mid-to-late September.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to dispose of surplus property listed in Staff Summary #E 2016-19, dated August 11, 2016, in accordance with the Authority's Procurement Policy, as recommended by management in that staff summary.

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

Transition Plan and Search/Selection
Process for the New General Manager:

Ms. Gladfelter announced that the Port Council had selected three of its members to serve on the committee that the Members had established at their previous meeting to make recommendations regarding how the Authority should search for and select its next General Manager, but that Mr. O'Brien since had informed her that he felt he could not devote the time necessary to be a member of that committee because the Town of Barnstable has asked him to assist its new Town Manager. Therefore, the Members agreed that Ms. Gladfelter would serve on the committee in place of Mr. O'Brien.

Ms. Gladfelter stated that the committee might have its first meeting later that day if Nantucket Port Council member Nathaniel E. Lowell and Falmouth Port Council member Robert S.C. Munier were available by telephone. In this regard, Ms. Gladfelter noted that it is helpful for members of the committee to respond when asked about their availability so that other committee members know whether they will be able to participate on dates that are proposed for committee meetings.

Committee to Recommend Next Year's Procedures
for the General Manager's Performance Evaluation:

Ms. Gladfelter then noted that, in June 2016, another committee had been established to recommend possible changes to the form for evaluating the General Manager's performance and that the Port Council, at their meeting earlier this month, had recommended that the committee continue its discussion and arrive at a recommendation for the Port Council's and Authority Members' consideration. But Ms. Gladfelter stated that she hoped the committee would be able to make its recommendation for consideration by the Members at their September 27, 2016 meeting.

After Ms. Tierney asked Mr. Lamson if he could contact his contemporaries at other ferry operations to find out what forms they use to evaluate their performance, Mr. Jones asked Ms. Gladfelter if there will be another meeting of the committee. But Ms. Gladfelter stated that she did not know, as Mr. Munier had not responded to her prior emails about this subject. Mr. Jones then asked whether it was really necessary for the committee to recommend any changes to the current evaluation form, saying that he had gained a lot of respect for that form and felt the potential new version was confusing. Indeed, Mr. Jones said, he would have a hard time figuring out how to use the potential new evaluation form.

In response, Ms. Gladfelter recounted how Mr. Munier had expressed some concerns about the current form, particularly its use of numerical ratings. In addition, Ms. Gladfelter observed that the current form does not take sufficient account of the fact that many of the General Manager's goals are ongoing or might not be achieved because of unexpected issues and problems that arise; nor does it allow someone to evaluate how the General Manager deals with those problems.

Ms. Gladfelter further stated that evaluating the General Manager is one of the Members' most important responsibilities and that it should not be an easy task. In this regard, Ms. Gladfelter noted that, while Mr. Lamson has made it easy for the Members during his tenure, the Members should develop an instrument that will enable the next General Manager to see those areas in which he or she is performing well and those areas that need improvement. Therefore, Ms. Gladfelter stated that the committee should meet one more time to arrive at a recommendation. Mr. Ranney agreed, saying that one more meeting should be sufficient to combine Mr. Munier's possible feedback with the potential new form the committee already has developed.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, including the issues with the *M/V Woods Hole* and the staff's proposed 2017 Operating Schedules, including the idea of changing the schedules of the freight boats on the Martha's Vineyard route during the summer so that they arrive 20 minutes later than the larger ferries instead of 15 minutes.

Mr. Huss also reported that one of the Authority's Woods Hole neighbors, Nat Trumbull, had commented about the noise from the Woods Hole terminal operations, although he admitted that the amount of noise had decreased this year by around 20%. Mr. Huss stated that Mr. Trumbull also still does not understand why the Authority schedules its first freight boat to leave Woods Hole at 5:30 a.m., despite the fact that Mr. Lamson had again explained very well the reasons for the schedule. In sum, Mr. Huss said, the Port Council felt that the Authority was doing an excellent job keeping the noise from the Woods Hole terminal at a minimum.

Martha's Vineyard Medical Marijuana Dispensary:

Mr. Hanover recounted how a prospective medical marijuana dispensary on Martha's Vineyard was being asked by the Massachusetts Department of Public Health how it was going to transport samples of its marijuana to the mainland once a week for testing when the United States Coast Guard has taken the position that it would be a violation of federal law for the Authority to allow those samples to be transported on its vessels, and he declared that the Authority needed to address this issue. But Mr. Lamson observed that the Authority was obligated to comply with the guidance received from the Coast Guard with respect to this issue, namely, that it would be illegal under federal law to transport marijuana on board the Authority's vessels. Mr. Sayers also noted that the United States Coast Guard could also take action against the license of any Captain who knowingly allows marijuana to be transported on an Authority vessel.

Hy-Line's New High-Speed Passenger Ferry:

Hy-Line Vice President R. Murry Scudder, Jr. informed the Members that Hy-Line's new high-speed passenger ferry, the *M/V Grey Lady IV*, was having a sea trial that day and that the vessel should be in service within the following week or ten days.

At approximately 10:34 a.m., Ms. Gladfelter entertained a motion to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters, because a public discussion of these matters may have a detrimental effect on the Authority's bargaining and negotiating positions. After, Ms. Gladfelter announced that these matters included bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to go into executive session to discuss the Authority's strategy with respect to collective bargaining matters.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
August 16, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. August 16, 2016 Meeting Memorandum, dated August 11, 2016.
2. Minutes of the July 19, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of June 2016.
4. Staff Summary #GM-673, dated August 5, 2016 – SeaStreak's Request to Extend Seasonal New Bedford – Nantucket Service.
5. Staff Summary #TPF-2016-12, dated August 9, 2016 – Proposed 2017 Winter Operating Schedules.
6. Staff Summary #TPF-2016-11, dated August 9, 2016 – Preliminary Version of Proposed 2017 Early Summer, Summer, Late Summer and Fall Operating Schedules.
7. Staff Summary #E 2016-18, dated August 11, 2016 – Change Order – Contract #12-16, "Dry-dock and Overhaul Services for the *M/V Sankaty*."
8. Staff Summary #E 2016-19, dated August 11, 2016 – "Disposal of Surplus Property.
9. Minutes of the Port Council's August 3, 2016 Meeting (draft).
10. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
September 27, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 27th day of September, 2016, beginning at 9:30 a.m., in the Discovery Room of the Nantucket Whaling Museum, located at 15 Broad Street, Nantucket, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable (who participated remotely by telephone conference call); and Marc N. Hanover of Dukes County.

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

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that Steve Baty of All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Mr. O'Brien's Remote Participation in the Meeting:

Ms. Gladfelter announced that she had been notified by Mr. O'Brien that he desired to participate remotely in this meeting because his personal disability made his physical attendance today unreasonably difficult. Ms. Gladfelter stated

that she agreed with Mr. O'Brien and that, as the Authority's Chairman, she had determined that Mr. O'Brien's physical attendance was unreasonably difficult due to his personal disability and that, therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Ms. Gladfelter noted that Mr. O'Brien would be doing so by telephone conference call, and that he would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Finally, Ms. Gladfelter announced that, due to Mr. O'Brien's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on August 16, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for July 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 4.6%), more automobiles (up 3.9%) and fewer trucks (down 1.4%) during the month than it had carried during the same month in 2015, which he said was at least partly due to the fact that July had five full weekends this year. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$7,772,000, approximately \$282,000 lower than what had been projected, even though operating revenues and other income had been \$403,000 higher than projected. Mr. Lamson noted

that operating expenses, fixed charges and other expenses had been \$685,000 higher than projected that month, primarily due to the *M/V Sankaty*'s dry-dock expenses.

Mr. Lamson also reported that the Authority's net operating income for the first seven months of 2016 had been \$2,858,000, around \$3,293,000 higher than expected, with operating revenues and other income having been \$2,451,000 higher than projected during that period and operating expenses and fixed charges \$842,000 lower than projected. But Mr. Lamson noted that the Authority will be incurring some additional unbudgeted maintenance expenses over the next several months, including around \$775,000 of additional dry-docking expenses for the *M/V Sankaty*, which will eliminate some of the current variance in the Authority's operating expenses.

Mr. Lamson then noted that, as shown on page 6 of the Business Summary, SeaStreak's new high-speed passenger service from New Bedford to Nantucket had carried almost 10,000 passengers during July, while the Authority also had carried almost 4,700 more passengers on its Hyannis-Nantucket route that month than the same month the previous year. Mr. Lamson also observed that, for all of the ferry operators combined, the total number of passengers carried on the various Nantucket routes had increased by 12,000 that month compared to the same month in 2015.

The *M/V Woods Hole*:

Mr. Lamson reported that the *M/V Woods Hole* continues to be operating very well during its first 3½ months in service, although there has not yet been any particularly rough weather to test her maneuverability and operating limits in high wind conditions. While Mr. Lamson stated that the staff believes she will prove to be a very reliable vessel, he noted that she does have a different hull configuration than the *M/V Eagle*, the *M/V Nantucket* and the *M/V Martha's Vineyard* due to the payload-carrying requirements that the Authority requested at the beginning of the design process. Indeed, Mr. Lamson said, the *M/V Woods Hole* has roughly twice the payload capacity as those other vessels because it was designed to be able to carry up to ten very heavy tractor-trailer trucks without exceeding a 10-foot draft, leaving the Authority with an allowance for an additional six inches of draft over its estimated service life.

Mr. Lamson also reported that the staff continues to work with Conrad Shipyard on the vessel's remaining punch list items and that Conrad has remained very responsive since the vessel was delivered in June. For example,

Mr. Lamson said, a few weeks ago, Conrad sent a crew from Louisiana to work on some of the outstanding punch list items, while others will be deferred until the vessel is in repair for three weeks at the end of the year.

Finally, Mr. Lamson reported that, at their meeting earlier this month, the Port Council had asked the staff to review the vessel's original design requirements to determine whether the vessel that was delivered in June meets all of the "minimum threshold" requirements that had been provided to Elliott Bay Design Group at the beginning of the design process. Mr. Lamson also stated that the staff was planning to review those requirements with the Port Council during their meeting next week.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson reported that the Authority has received a draft Chapter 91 license from the Massachusetts Department of Environmental Protection (DEP) for the Woods Hole terminal reconstruction project. However, Mr. Lamson also reported that, on September 21, 2016, 13 Falmouth residents had submitted a notice of claim for an adjudicatory hearing on DEP's decision to issue the draft license. Mr. Lamson informed the Members that, depending upon how long that administrative appeal process takes, it could affect the start of that portion of the project that is subject to DEP's jurisdiction. Meanwhile, Mr. Lamson said, the Army Corps of Engineers also had issued its permit for the project earlier this month.

The Authority's New General Offices:

Mr. Lamson then reported that the Authority had completed the prequalification process that was required by state law for general contractors and subcontractors who want to submit bids for the construction of the Authority's new administrative office building and that, on September 2nd, the Authority had issued an invitation for bids for the contract. Mr. Lamson stated that, if all proceeds as planned, sub-bids for the contract will be opened on Friday, October 7th, and then general bids will be opened the following Friday, October 14th, so that the contract can be awarded at the next Authority meeting on October 18th. Mr. Lamson also noted that the construction of the new building was expected to be completed within 14 months from the date the contract is awarded.

Mr. Lamson further reported that, during this same time period, the Authority will be constructing a temporary terminal building at the Woods Hole terminal, and that a request for proposals for that contract will be issued later this year. In response to a question from Ms. Gladfelter, Mr. Sayers stated that the Authority was not required to prequalify contractors for that contract because the amount of the contract was estimated to be less than \$10,000,000.

Dry-docking of the *M/V Sankaty*:

Mr. Walker then reported that the *M/V Sankaty* has been in the shipyard this summer far longer than anticipated, and that it will continue to be there until late October due to the need for much more work on the vessel than was originally estimated. Mr. Walker stated that this work includes:

- modifications to the vessel to increase its cargo-carrying capacity (so that the vessel can carry more cargo without limiting the number of passengers on board to 25);
- the installation of an aft ballast tank in the vessel to make it more maneuverable in light-load conditions; and
- the replacement of much more wasted steel than anticipated (accounting for around \$400,000 of the contract's change orders).

Mr. Walker assured the Members that Thames Shipyard has been working diligently on the vessel, has even hired an outside welding crew and is doing everything it can to get the vessel back to the Authority as soon as possible. In response to a question from Mr. Hanover about how long the vessel's useful life will be after all of this steel replacement, Mr. Walker stated that the vessel is the best of the Authority's three freight boats and that the Authority will also now have access to all of its voids to better maintain the vessel.

Ms. Tierney then observed that this situation demonstrated how important it was to keep the *M/V Governor*, as the Authority has been able to make all of these repairs to the *M/V Sankaty* during the summer schedule and still have a spare vessel available. Mr. Lamson agreed, noting that if the Authority had not had the *M/V Governor* this summer, it would have been required to make all of these repairs to the *M/V Sankaty* during the off-season.

2017 Early Spring and Spring Operating Schedules:

Mr. Lamson then asked the Members to approve the staff's proposed 2017 Early Spring and Spring Operating Schedules for the period from March 17 through May 15, 2017, noting that, if approved:

- The early spring operating schedules will also remain the same as they were last year for both routes, except that they will end earlier (on March 31st instead of April 11th). During this period, the *M/V Woods Hole* will also be assigned to the Martha's Vineyard route while the *M/V Island Home* is in repair.
- The spring operating schedules will begin 11 days earlier than this past year. During this period, the Authority will single crew the *M/V Sankaty* so that it operates exclusively on the Nantucket route Mondays through Fridays, instead of operating on both routes (a few days on the Nantucket route during the middle of the week and on the Martha's Vineyard route around the weekends) as it did this past spring schedule. Mr. Lamson stated that the staff does not believe that the Martha's Vineyard route will need this additional vessel on weekends next year during the spring because the *M/V Island Home* and the *M/V Woods Hole* (along with *M/V Martha's Vineyard*) will be assigned to that route during that time period.
- The first freight trip from Woods Hole to Martha's Vineyard will be at 5:30 a.m. during these schedules because the *M/V Woods Hole* will be the freight boat operating that trip and trucks will not need to back up in order to be loaded onto the vessel.

After Mr. Lamson also noted that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members approve the proposed schedules, Mr. Hanover stated that he thought the schedules were great for the Martha's Vineyard route. Mr. Hanover then asked Mr. Lamson whether the Authority would continue to show the freight boat trips on the Authority's published schedules. In response, Mr. Lamson stated that the Authority had done so this year only for the *M/V Woods Hole's* trips that were not designated as hazardous cargo trips (when its passenger capacity is limited), and that it could continue to include those trips on the spring schedule for the Martha's Vineyard route as well as on the summer schedule for the Nantucket route when the vessel will be operating on that route.

Ms. Gladfelter then read a letter about the Authority's operating schedules that she had received by email on September 24, 2016 from Woods Hole resident Pam Stark.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the 2017 Early Spring and Spring Operating Schedules as proposed by management in Staff Summary #TPF-2016-13, dated September 21, 2016.

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

2017 Summer and Fall Operating Schedules:

Mr. Lamson then asked the Members to approve the staff's proposed 2017 Early Summer, Summer, Late Summer and Fall Operating Schedules for the period from May 16, 2016 through January 4, 2018, noting that, if approved, the early summer, summer and late summer schedules will start two days earlier than this year and the late summer schedule will end four days later (which will also result in the fall operating schedule starting four days later), and will basically provide the same level of service as the Authority is providing during these same periods this year. However, Mr. Lamson noted that:

- During the 2017 summer schedule (June 15th through September 6th) on the Martha's Vineyard route, the Authority will operate one freight boat – the *M/V Governor* – and three large passenger/vehicle ferries – the *M/V Island Home*, the *M/V Martha's Vineyard* and the *M/V Nantucket*, which will replace the *M/V Woods Hole*; and the *M/V Woods Hole* will in turn replace the *M/V Nantucket* on the Nantucket route. Mr. Lamson stated that while the *M/V Woods Hole* does not have as much passenger capacity as the *M/V Nantucket*, the staff thinks that the Nantucket route will benefit by its ability to carry more trucks in the center lanes of its freight deck.
- During the late 2017 summer schedule (September 7th through October 15th), the Authority will keep the *M/V Woods Hole* on the Nantucket route with the *M/V Eagle* and the *M/V Gay Head*, and assign the *M/V Island Home* and the *M/V Nantucket* on the Martha's Vineyard route with the *M/V*

Governor and the *M/V Sankaty*, as the *M/V Martha's Vineyard* will be leaving at the beginning of this schedule for its mid-life refurbishment.

- During the early summer, summer and late summer schedules, the Authority will continue operating the 5:30 a.m. freight trip from Woods Hole with the *M/V Governor*, as it is a drive-through vessel that minimizes the need for trucks to use their back-up alarms. However, during the proposed fall schedule, when the *M/V Sankaty* will be the freight boat on the Martha's Vineyard route, the first freight trip from Woods Hole will be at 6:15 a.m.
- During all of the schedules (beginning May 16th), the Authority will be adjusting the times of some of the freight boat departures on the Martha's Vineyard route during the day so that, instead of arriving and departing 15 minutes after the larger passenger/vehicle ferries, they will arrive and depart 20 minutes later (a difference of five minutes). This will provide more of a break in traffic between the vehicles that are unloaded from the larger ferries and the vehicles that are then unloaded from the freight boats.

Mr. Lamson also stated that the staff's proposed 2017 operating schedules for the *M/V Iyanough* are the same as this year's schedules, except that, if approved, the Authority will resume high-speed passenger service between Hyannis and Nantucket with that vessel on April 1st next year instead of April 12th.

After Mr. Lamson noted that, at their meeting earlier this month, the Port Council had voted unanimously to recommend that the Members approve the proposed schedules, he read a letter that he said he had received the previous day by email from Tisbury resident Jeff Kristal. Although Mr. Lamson observed that it was unclear whether the letter had been written on behalf of an individual (Urna Semper) or the Tisbury Finance Committee, Mr. Hanover stated that it was nonetheless nice to hear such sentiments from a Tisbury resident. Mr. Lamson then informed the Members that he had subsequently talked with Mr. Kristal and explained that the few days' differences in the start of end of the seasonal operating schedules were due to the three-day watch cycles that are worked by the Authority's vessel crews.

Ms. Gladfelter then recounted how she had received a number of emails this past summer about two Authority ferries often unloading vehicles at Woods Hole simultaneously, and she stated that she appreciated the staff's change to the freight boats' schedules so that, beginning next summer, they will arrive at Woods Hole 20 minutes after the larger ferries instead of only 15 minutes after those ferries. In response, Mr. Lamson stated that the staff had explored whether the freight boats could arrive even as much as 25 minutes after the larger ferries,

but had concluded that such a delay might create vessel conflicts when the larger ferries are scheduled to leave Woods Hole. Therefore, Mr. Lamson said, the staff thought that the Authority should first see whether a 20-minute separation between the arrivals of the larger ferries and the freight boats will be sufficient to solve the problem.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to approve the 2017 Summer and Fall Operating Schedules as proposed by management in Staff Summary #TPF-2016-14, dated September 21, 2016.

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

"Sail Into Imagination" Art Contest:

Ms. McHugh announced that a panel of judges recently had selected the winners of the Authority's first-ever art contest for students in grades K-12 living in the Authority's constituent communities (Barnstable, Fairhaven, Falmouth, Martha's Vineyard, Nantucket and New Bedford). Noting that almost 200 students had submitted original artwork inspired by the theme "Sail into Imagination" and that thirteen prize winners were selected, Ms. McHugh stated that their art work is currently posted on the Authority's website (in the News section) and is being exhibited on board the *M/V Island Home* and the *M/V Eagle*. Ms. McHugh further informed the Members that the winning artwork will also be showcased in the Authority's 2017 calendar, which will have one image for each month and one for the cover.

In response to questions from the Members, Ms. McHugh stated that the Authority will be conducting another art contest next year, and she then thanked all of the students and judges. Ms. Gladfelter noted that the contest had been favorably reported on in Falmouth, and she observed that it was a great way to promote the Authority.

Preliminary Draft of the Proposed 2017 Operating Budget:

Mr. Davis then presented the preliminary draft of the staff's proposed 2017 Operating Budget for the Members' review and comments, noting that the final budget will not need to be approved until the next Authority meeting on October 18, 2016. Mr. Davis reported that the Authority's total operating expenses in 2017 are expected to be around \$95,151,000, which represents a \$3,401,000 or 3.7% increase in total operating expenses compared to the most recent estimate for 2016 (based on seven months of actual expenses and five months of budgeted expenses), and that significant changes include the following:

- (a) Payroll expense is expected to increase by \$1,130,000 (or 3.5%) from this year's estimate.
- (b) Pension expense is expected to increase by \$747,000 (10.3%) in part due to obligations that are now required to be recognized on the Authority's financial statements by Governmental Accounting Standards Board Pronouncement 68 (GASB 68).
- (c) Health care costs are expected to increase by \$717,000 (or 9.5%).
- (d) Depreciation expense is expected to increase by \$212,000 (or 2.0%), as the *M/V Iyanough* will be fully depreciated in January 2017.
- (e) Vessel maintenance is expected to increase by \$111,000 (1.3%).
- (f) Terminal repairs are expected to decrease by \$918,000 (35.5%), as dolphin and dock repairs are expected to decrease by \$978,000 versus the estimate for this year.
- (g) Telephone expenses are expected to increase by \$194,000 (27.0%) as data communication upgrades will be made.
- (h) Vessel fuel expense is expected to increase by \$1,002,000 (or 18.2%) from the updated estimate for 2016. More than one-half of the increase is attributed to additional fuel consumption (\$550,000) and the remaining increase is due to higher anticipate fuel costs (\$450,000). Crude oil is currently trading around \$45 per barrel, and the staff is expecting crude oil prices to range between \$45 and 55 per barrel in 2017.

Mr. Davis further reported that, in 2017, the Authority's total operating revenues are projected to be around \$104,404,000, representing a \$1,479,000 (or 1.4%) increase from this year's currently estimated revenues. Mr. Davis noted that, as a result, even without any rate increases next year, the staff is projecting a net operating income next year of around \$8,321,000, which is sufficient to fund the Authority's cost of service, including the Authority's bond interest and principal payments of approximately \$8,633,650. Finally, Mr. Davis noted that, in 2017, 56% of the Authority's cost of service will be allocated to the

Martha's Vineyard route, and 44% to the Nantucket route, while the Martha's Vineyard route is expected to generate 55.4% of the Authority's revenues and the Nantucket route 44.6%.

Recognition of Public Officials:

Ms. Gladfelter then recognized Nantucket Town Manager C. Elizabeth ("Libby") Gibson in the audience and thanked her for attending today's meeting.

New Steering Gear System for the *M/V Eagle*:

Mr. Lamson then asked the Members to award Contract #21-2016 for a new steering gear system for the *M/V Eagle* to the only bidder for the contract, Engine Monitoring, Inc. of St. Rose, Louisiana, in the amount of \$100,736.75. Mr. Lamson noted that the *M/V Eagle*'s current steering system was installed when the vessel was constructed in 1987 and is now obsolete, and that its new steering system will be similar to the steering systems that have been installed on the *M/V Nantucket*, the *M/V Island Home* and the *M/V Woods Hole*.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 21-16 for a new steering gear system for the *M/V Eagle* to the lowest eligible and responsible bidder for the contract, Engine Monitoring, Incorporated, of St. Rose, Louisiana, for the Total Contract Price of \$100,736.75, as recommended by management in Staff Summary #E 2016-20, dated September 20, 2016.

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

Web Redundancy Project:

Mr. Lamson asked the Members to authorize the purchase of \$215,057 worth of hardware and software under a state contract from IntraSystems Inc. of Braintree, Massachusetts, that the Authority needs to support its web services, including its primary website, mobile website, and various reservation sites, at its disaster recovery site. Mr. Lamson noted that this “Web Redundancy Project” will give the Authority a redundant system at an off-site location and already has been approved in the 2016 Capital Budget. Mr. Lamson also observed that there is no need to go out to bid for this hardware and software because they were being purchased under a state contract, and that the reason he was asking for the Members’ approval of the purchase was because the amount exceeded \$100,000.

IT WAS VOTED -- upon Mr. Hanover’s motion, seconded by Ms. Tierney -- to authorize the General Manager to execute Purchase Requisition No. 123608 with IntraSystems Inc. of Braintree, Massachusetts in the amount of \$215,057 for the Authority’s 2016 “Web Redundancy Project,” as recommended by management in Staff Summary #MIS2016-1, dated September 21, 2016.

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

Search/Selection Process for the New General Manager:

Mr. Hanover reported that the committee established by the Members to make recommendations regarding the search/selection process for the new General Manager felt that the Authority has qualified internal candidates for the position of and, accordingly, was recommending that the Authority provide those internal candidates the opportunity to apply and be considered for the position before deciding whether to widen the pool of qualified candidates by conducting an external search. Mr. Lamson further reported that, as also recommended by

the committee, he had updated the General Manager's position description and provided the Members with that updated description, noting that the committee also had recommended that, if an internal candidate is selected for the position, the initial salary for the position should be \$175,000.

Ms. Tierney stated that she was satisfied with the recommendations as presented, and Mr. Ranney agreed. Mr. O'Brien also stated that he had no comments regarding the recommendations. Ms. Gladfelter then asked if anyone in the audience would like to comment on the recommendations, but no one did.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- as follows:

- 1. to approve the updated Position Description for the position of General Manager as provided to the Members that day by Mr. Lamson;**
- 2. to establish the next General Manager's initial salary at \$175,000 if an internal candidate is selected for the position; and**
- 3. to provide Authority employees the opportunity to apply for the position in the manner described in the Report of the General Manager Search/Selection Committee before deciding whether to widen the pool of qualified candidates by conducting an external search.**

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

Mr. Sayers then noted that, pursuant to the Members' adoption of the Search/Selection Committee's recommendations, Authority employees who would like to be considered for the General Manager position after Mr. Lamson retires next year should apply by submitting their cover letters and resumes to

Mr. Lamson by Wednesday, October 5, 2016, and that Mr. Lamson will then forward all of the applications he receives to the Search/Selection Committee. Mr. Sayers also stated that, because conducting such a preliminary screening in an open meeting would have a detrimental effect in obtaining qualified applicants, the committee was expected to conduct this preliminary screening in executive session. The Members agreed, and Ms. Gladfelter declared that a preliminary screening of internal candidates for the position of General Manager in an open meeting would have a detrimental effect in obtaining qualified applicants for the position. Finally, Mr. Sayers stated that the hope was that the Committee will then be able to prepare their recommendations regarding the preliminarily screened candidates for consideration by the Members in public session at the next Authority meeting on October 18, 2016.

Committee to Recommend Next Year's Procedures
for the General Manager's Performance Evaluation:

Mr. Ranney then reported that the committee that had been established to recommend possible changes to the form for evaluating the General Manager's performance was recommending that the Authority adopt a revised performance evaluation form that was attached to the memorandum from Messrs. Parent and Sayers, dated September 9, 2016. Mr. Ranney acknowledged that the revised form is a little more complicated than the Authority's current version, but he stated that he thought that was appropriate due to the complexity of the job. In addition, Mr. Ranney noted that the revised form also provides the Members with more flexibility when evaluating the General Manager's performance.

Mr. Sayers also reported that, as Ms. Tierney had requested at the last Authority meeting, Mr. Lamson had contacted his contemporaries at other ferry operations to find out what forms are used to evaluate their performance, and had learned that several of his contemporaries have not received performance evaluations in years and that others are evaluated based upon standard forms that are used to evaluate the performance of all employees in the organization. After Mr. Sayers noted that the process that has been used by the Members for years to evaluate Mr. Lamson's performance was exceptional compared to those other ferry operations, Ms. Gladfelter also noted that the fact that Mr. Lamson received so many responses to his request for information within just a few days was a tribute to his efforts to reach out and get to know other ferry operations in the United States.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Hanover -- to adopt the new performance evaluation form for evaluating the General Manager's performance as proposed by the committee that was established to make recommendations regarding how the General Manager's performance should be evaluated.

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

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, including the issues with the *M/V Woods Hole*. In this regard, Mr. Huss noted that the Port Council had been informed that the vessel's bow wave and fuel consumption rates were improving, and that next month the Port Council will be reviewing the vessel's design requirements to determine whether they have been met.

Mr. Huss then reported that the Port Council also had discussed the staff's proposed 2017 Operating Schedules (and had recommended all of them), as well as the preliminary version of the 2017 Operating Budget. Mr. Huss noted that the budget did not include a separate line item for the Hyannis parking lot operations and that those expenses were included in the expenses of the Hyannis terminal, unlike the budget's separate line item for the Woods Hole/Falmouth parking lot operations. However, Mr. Davis stated that, in response to the Port Council's suggestion at the meeting, he subsequently had separated out the expenses of the Hyannis parking lot operations so that the revised version of the proposed budget that has been presented to the Members now includes a separate line item for those operations.

Mr. Huss further reported that the Port Council had a very good discussion about the proposed new form for evaluating the General Manager's performance, and had agreed that the Authority should try using that new form. But Mr. Huss

also noted that, if the new form ends up being too cumbersome, the Authority always can go back to using the original form.

Mr. Hanover then recounted how, when he became a Member thirteen years ago, he used to dread answering the phone because of all of the complaints he received about the Authority. By contrast, Mr. Hanover said, while this past summer has been extremely trying in terms of traffic and other difficulties, he has received nothing but compliments about the Authority's management, crews and employees. Mr. Hanover declared that the Authority was providing the right kind of service, that he was very proud to be part of this organization, and that he would like to thank everyone who is responsible.

At approximately 10:42 a.m., Ms. Gladfelter entertained a motion to go into executive session to consider the purchase, exchange, lease or value of real property and to discuss the Authority's strategy with respect to collective bargaining and litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's bargaining, negotiating and litigating positions. After Ms. Gladfelter announced that these matters included the potential acquisition of additional property in Hyannis, Massachusetts, bargaining for new collective bargaining agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's maintenance employees, agency and terminal employees, parking lot attendants and bus drivers, security employees, and licensed deck officers, and with District No. 1 – PCD, MEBA for the Authority's licensed engineering officers, and the notice of claim by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would reconvene in public after the conclusion of the executive session.

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

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

At approximately 11:43 a.m., the Members reconvened their meeting in public session. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable (who participated remotely by telephone conference call); and Marc N. Hanover of Dukes County). Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury and Port Council member Robert R. Jones of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Operations Manager Mark K. Rozum; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; and General Counsel Steven M. Sayers.

Ratification of Tentative Collective Bargaining Agreements:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to authorize the General Manager and Director of Human Resources to:

- 1. execute the tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's Maintenance Employees; and**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

as recommended by management in Staff Summary #HR-16-49, dated September 8, 2016.

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

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

- 1. execute the tentative new collective bargaining agreement with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's Agency and Terminal Employees;**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

as recommended by management in Staff Summary #HR-16-48, dated September 8, 2016.

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

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager and Director of Human Resources to:

- 1. execute the tentative new collective bargaining agreement with District No. 1 – PCD, MEBA (AFL-CIO) governing the terms and conditions of employment for the Authority's Licensed Engineering Officers; and**
- 2. take all necessary and appropriate actions to implement and fulfill the Authority's obligations under the new agreement;**

as recommended by management in Staff Summary #HR-16-50, dated September 8, 2016.

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

Then, at approximately 11:45 a.m., Ms. Gladfelter stated that she would entertain a motion to adjourn the meeting.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
September 27, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. September 27, 2016 Meeting Memorandum, dated September 22, 2016.
2. Minutes of the August 16, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of July 2016.
4. Staff Summary #TPF-2016-13, dated September 21, 2016 – Proposed 2017 Early Spring and Spring Operating Schedules.
5. Letter from Pam Stark to Elizabeth H. Gladfelter, emailed on September 24, 2016, regarding the Authority's operating schedules.
6. Staff Summary #TPF-2016-14, dated September 21, 2016 – Proposed 2017 Summer and Fall Operating Schedules.
7. Letter from Urna Semper to Steamship Board of Governors, emailed on September 26, 2016, regarding the Authority's operating schedules.
8. Staff Summary #GM-674, dated September 22, 2016 – Art Contest "Sail Into Imagination" Winning Artwork.
9. Staff Summary #A-597, dated September 22, 2016 – Preliminary Draft of Proposed 2017 Operating Budget.
10. Staff Summary #E 2016-20, dated September 20, 2016 – Contract #21-16, "Supply, Deliver and Commission New Steering Gear System for the *M/V Eagle*."
11. Staff Summary #MIS2016-1, dated September 21, 2016 – 2016 MIS Capital Project Web Redundancy Project.
12. Report of the General Manager Search/Selection Committee.
13. Proposed Updated Job Description for the Position of General Manager, dated September 26, 2016.
14. Memorandum from Director of Human Resources Phillip J. Parent and General Counsel Steven M. Sayers to the Authority Members, dated September 9, 2016 – Proposed New Form for Evaluating the General Manager's Performance.
15. Minutes of the Port Council's September 7, 2016 Meeting (draft).
16. Statement to be Read Prior to Going into Executive Session.

September 27, 2016
Minutes of the Public Session

17. Staff Summary #HR-16-48, dated September 8, 2016 – Tentative Collective Bargaining Agreement with Teamsters Union Local No. 59 Representing Agency and Terminal Employees.
18. Staff Summary #HR-16-49, dated September 8, 2016 – Tentative Collective Bargaining Agreement with Teamsters Union Local No. 59 Representing Maintenance Employees.
19. Staff Summary #HR-16-50, dated September 8, 2016 – Tentative Collective Bargaining Agreement with MEBA, District No. 1 – PCD (AFL-CIO) Representing Licensed Engineering Officers.

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

**The Meeting in Public Session
October 18, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 18th day of October, 2016, beginning at 9:30 a.m., in the Katharine Cornell Theatre of the Tisbury Town Hall, located at 21 Spring Street, Vineyard Haven, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable (who participated remotely by telephone conference call); and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury, and Port Council member Robert R. Jones of Barnstable were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Reservations and Community Relations Manager Gina L. Barboza; Director of Information Technologies Mary T. H. Claffey; Director of Marketing Kimberlee McHugh; Director of Engineering and Maintenance Carl R. Walker; Operations Manager Mark K. Rozum; Director of Security Lawrence S. Ferreira; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Vineyard Haven Terminal Manager Richard Clark; Oak Bluffs Terminal Manager Bridget Tobin; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

Mr. O'Brien's Remote Participation in the Meeting:

Ms. Gladfelter announced that she had been notified by Mr. O'Brien that he desired to participate remotely in this meeting because his personal disability made his physical attendance today unreasonably difficult. Ms. Gladfelter stated that she agreed with Mr. O'Brien and that, as the Authority's Chairman, she had determined that Mr. O'Brien's physical attendance was unreasonably difficult due to his personal disability and that, therefore, he may participate remotely in this meeting, which includes voting on all matters as well. Ms. Gladfelter noted that Mr. O'Brien would be doing so by telephone conference call, and that he

would be clearly audible to the other Members and each of the other Members would be clearly audible to him. Finally, Ms. Gladfelter announced that, due to Mr. O'Brien's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTv.

Recognition of Public Officials:

Ms. Gladfelter then recognized Dukes County Commissioner Leon Brathwaithe in the audience and thanked him for attending today's meeting.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on September 27, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for August 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried fewer passengers (down 1.5%), fewer automobiles (down 1.8%) and more trucks (up 8.4%) during the month than it had carried during the same month in 2015, which he said was at least partly due to the fact that August had five full weekends in 2015 and this year there had been five full weekends in July. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$8,052,000, approximately \$522,000 lower than what had been projected, even though operating revenues and other income had been \$216,000 higher than projected. Mr. Lamson noted that the Authority's operating expenses, fixed charges and other expenses had been \$738,000 higher than projected that month, primarily due to the *M/V Sankaty* dry-dock expenses.

Mr. Lamson also reported that the Authority's net operating income for the first eight months of 2016 had been \$10,910,000, around \$2,771,000 higher than expected, with operating revenues and other income having been \$2,667,000 higher than projected during that period and operating expenses and fixed charges \$104,000 lower than projected. But Mr. Lamson noted that the Authority will be incurring some additional unbudgeted maintenance expenses over the next several months, including additional dry-docking expenses for the *M/V Sankaty*, while some of those additional expenses were being offset with lower-than-budgeted fuel oil prices.

Mr. Lamson then noted that, as shown on page 6 of the Business Summary, SeaStreak's new high-speed passenger service from New Bedford to Nantucket had carried more than 11,000 passengers in August, and its service between New Bedford and Oak Bluffs had carried more than 23,000 passengers. By contrast, Mr. Lamson said, the Authority had experienced a slight decrease in passenger ridership on both of its routes that month. Mr. Lamson also stated that the staff was planning to provide a summary of all of the passenger statistics for the year after the Authority's licensed ferry operators submit their final reports for the season.

Recognition of Public Officials:

Ms. Gladfelter then recognized Oak Bluffs Selectman Michael Santoro and Tisbury Town Administrator John W. ("Jay") Grande in the audience.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson recounted how, last month, after the Authority had received a draft Chapter 91 license from the Massachusetts Department of Environmental Protection (DEP) for the Woods Hole terminal reconstruction project, thirteen Falmouth residents filed a notice of claim for an adjudicatory hearing on the DEP's decision, asserting that the project will have a negative impact on navigation and will provide inadequate public access. Mr. Lamson then reported that, after the DEP scheduled the hearing on the appeal for March 6, 2017, the Authority filed a request for an expedited hearing and that, yesterday, the Hearing Office granted the Authority's request and rescheduled the hearing for January 5, 2017.

In response to a question from Ms. Gladfelter, Mr. Lamson stated that the hearing will take place at the DEP's Lakeville office and was expected to take one day. Meanwhile, Mr. Lamson said, he and Mr. Sayers will continue to meet with the petitioners' attorney to try to negotiate a settlement of their appeal.

Dry-docking of the *M/V Sankaty*:

Mr. Walker then reported on the repair status of the *M/V Sankaty*, which went to Thames Shipyard this summer to be dry-docked. Mr. Walker stated the he had visited the shipyard two weeks ago, that Port Engineer Stephen F. Clifford had been there yesterday, and that the vessel is now expected to be back in Fairhaven during the first week of November. Mr. Walker also stated that, as reported on the vessel surveys the Authority had received a few years ago, the *M/V Sankaty*'s useful life, as well as the useful lives of most of the Authority's other vessels, was between two and five years, so the Authority has to maintain all of these vessels on an ongoing basis. In this regard, Mr. Walker stated that the work on the *M/V Sankaty* has taken so long this year because the shipyard has had to replace a lot more deteriorated steel in the hull than what had been anticipated.

Mr. Walker noted, however, that the vessel's fuel, sewage and ballast tanks had been installed, that the plates were going in on the decks, and that Thames has stated that the vessel will be able to be returned to Fairhaven by November 1st (although Mr. Walker stated that he thought more realistically it would be sometime during the first week of November). After Mr. Walker apologized for how long the vessel was in the shipyard, as it is now the Authority's spare vessel, he noted that there had not been any new change orders.

In response to a question from Mr. Hanover, Mr. Walker stated that he did not know whether all of this hull replacement will increase the vessel's life span, although he believed that the *M/V Sankaty* was the best of the Authority's three freight boats. Mr. Walker noted that, in order to keep those vessels running, the Authority has to replace a portion of their hulls during each dry-dock and that, as they get older, the work becomes more expensive. Nevertheless, Mr. Walker declared that the *M/V Sankaty* will definitely last another five to seven years, which is when he said the Authority is planning to acquire another new vessel.

In response to another question from Mr. Hanover, Mr. Lamson stated that the *M/V Sankaty*'s repair work this year was originally estimated to cost around \$1,500,000, and that change orders to the contract had now increased that cost to just under \$2,000,000.

Ms. Tierney then asked whether the Authority had compared what the cost would be to acquire a new vessel with the cost of maintaining our older existing vessels. In response, Mr. Walker stated that the Authority had undertaken such a comparison when it decided to construct the *M/V Woods Hole*, noting that the Authority had concluded that it would have been very expensive to modify and retrofit one of the Authority's existing freight boats and the Authority still would have had a 30-year-old boat when the work was finished. However, Mr. Walker said, the ongoing maintenance work on the three freight boats costs far less than a retrofit, the vessels' mechanicals are all in great shape, and it is only their hulls that are more than 30 years old.

Martha's Vineyard Reservation Office:

Mr. Lamson reported that the Authority will be closing its Reservation Office at the Martha's Vineyard Airport by the end of October and that, beginning November 1st, its reservation call center on the island will be located on the second floor of the Vineyard Haven terminal. Mr. Lamson also noted that customers will continue to be able to make reservations at the ticket counter on the first floor of that terminal on a year-round basis.

Mr. Lamson then recounted how, at the Port Council meeting earlier that month, the staff had been asked to look into the possibility of having these Reservation Clerks work out of the Oak Bluffs ticket office during the off-season, and he stated that the staff had started to explore this option. But Mr. Lamson noted that it did not initially appear to the staff that keeping the Oak Bluffs terminal open during the off-season for this purpose would be cost efficient, as the Authority would need to keep the building open seven days a week, which

would mean incurring the cost of janitors to maintain the public restrooms there. In addition, Mr. Lamson said, due to the lack of space at the Oak Bluffs terminal, at the beginning of every summer the Reservation Clerks would have to be moved to the Vineyard Haven terminal.

Mr. Lamson reported that the staff was considering whether, during the summer season, the Authority instead could open the Oak Bluffs terminal earlier in the morning so that customers will also be able to make reservations there before the first ferry arrives at 9:15 a.m. Mr. Lamson noted that, during the summer season, this would allow Edgartown and Oak Bluffs residents to make their reservations in person early in the morning at the Oak Bluffs terminal without having to worry about the amount of traffic in Vineyard Haven. In addition, Mr. Lamson said, the staff was continuing to look into what other changes can be made during this transition period to help mitigate some of the impacts related to the relocation of these services from the Martha's Vineyard airport.

After Mr. Lamson completed his report, Mr. Hanover asked Mr. Lamson to pursue the possibility of opening the Oak Bluffs terminal earlier in the morning during the summer season so that people can make reservations then, as that appeared to be a good alternative for those island residents whose reservation issues cannot be easily handled online or by telephone and who do not want to drive to Vineyard Haven.

Woods Hole Temporary Terminal Building Indemnification Agreement:

Mr. Sayers asked the Members to authorize Mr. Lamson to execute an agreement with the Bertaux + Iwerks Architects, LLC and Weidlinger Associates, Inc., the architect and structural engineer for the Authority's new modular temporary terminal building which will be built at the Woods Hole terminal, that would obligate the Authority to indemnify them from any claims arising from its decision to place that temporary building within the AE13 flood zone in Woods Hole with a first floor elevation three feet, six inches below the 13-foot flood elevation. Mr. Sayers noted that, earlier this year, the Authority received a variance from the State Building Code Appeals Board for the temporary terminal building to be built at that lower elevation, primarily to ensure that it is fully accessible for individuals with disabilities without the need to build additional ramps between the building and the surrounding site (which is at an elevation of around 6 feet above sea level). Mr. Sayers also noted that, while the agreement would require the Authority to indemnify the architect and structural engineer for its decision to building the temporary terminal building at that location, the

agreement would still require the architect and engineer to conform to the standard of care exercised by design professionals knowing that the first floor of the building is going to be at an elevation below the flood elevation.

Ms. Tierney asked Mr. Sayers what the potential risks were of constructing the temporary terminal building below the 13-foot flood elevation and whether the Authority will have insurance for them. In response, Mr. Sayers stated that the building would be insured and that the risk is that it is flooded sometime during the next six years. However, Mr. Sayers said, the Authority will know of an impending flood situation sufficiently in advance to empty out the building, and the terminal will be closed for operations during that time, so the danger to human life and property will be minimized. Mr. Sayers also stated that another risk would be debris from the building going into the parking lot during a flood, but he stated that these were the types of risks the Authority had to assume in order to ensure that the building is accessible.

Ms. Tierney then asked what would be the worst amount of money that a flood could cost the Authority. In response, Mr. Sayers stated that it could be millions of dollars, but that the loss would not be something for which the designers would be liable for anyway, as the Authority was making the decision to locate the building below the 13-foot flood elevation and it would be the cost of doing business. Mr. Davis also stated that the Authority would be adding the building to its list of properties to be insured and, if there were a catastrophic event, the insurance would cover the building's replacement cost.

Mr. Sayers also noted that, while the Authority was taking responsibility for its decision to locate the building below the 13-foot flood elevation, the designers would still be responsible if they made a mistake in the construction specifications or did not specify sufficient strength in the building's structural elements. All the Authority was giving up, Mr. Sayers said, was the option of blaming the designers for the Authority's decision to locate the building below the 13-foot flood elevation, as that is a necessary decision for this project to go forward.

However, Ms. Tierney stated that she was still concerned that there will be a catastrophic event and that the Authority will not have enough insurance to cover the loss. Therefore, Ms. Tierney asked whether the Members could table this matter until the staff confirms that the building will have sufficient insurance coverage and that locating the building below the flood elevation will not result in an exception to that coverage. However, Mr. Sayers noted that tabling the motion could require postponing the project, as the staff was hoping that the Members will be able to award the temporary terminal building's construction contract at their meeting next month.

Mr. Lamson then emphasized that the temporary terminal building will only be needed for the next five to six years, and he stated that, if it needs to be repaired or replaced during that time and if the cost is not covered by insurance, the Authority will find the money to repair or replace it. In response to a question from Ms. Gladfelter, Mr. Lamson stated that the Authority already has a hurricane preparation plan in place for all of its terminals, and that the implementation of that plan depends in large part on how long the United States Coast Guard allows the Authority to continue to operate in the face of an impending storm. Mr. Lamson also stated that, in those circumstances, the Authority continues to operate as long as it can, and even pre-positions utility repair trucks on the islands in advance of the storm, and he noted that it does not take much time to move equipment out of the terminal buildings.

Mr. Sayers then stated that this was a risk the staff felt the Authority has to take to complete the project, even if it were to turn out that the building is not insurable and the Authority has the potential to lose \$2,000,000. Mr. Sayers observed that the Authority has also minimized the risk of flooding by moving it back away from the water and also moving it higher so that its first floor elevation was 9-½ feet above sea level compared to the 5-to-6 feet that the existing terminal is above sea level. But Mr. Sayers emphasized that moving the building any higher would result in the additional ramps to the building taking up too much space on the terminal property and making the building inconvenient for all of the Authority's passengers, as well as making it inaccessible as a practical matter for those customers who need it the most. Finally, Mr. Sayers also noted that the building will only be there for five or six years. In response, however, Ms. Tierney stated that, as a lawyer, she would prefer not to indemnify anyone.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute an Indemnification Agreement with Bertaux + Iwerks, Architects, LLC and Weidlinger Associates, Inc. with respect to the Authority's decision to have the first floor elevation of the temporary terminal building for the Woods Hole terminal at nine feet, six inches above sea level instead of 13 feet above sea level (the base flood elevation), as would be required by the State Building Code if the Authority had not obtained a variance from the State Building Code Appeals Board, in substantially the form attached to Staff Summary #L-461, dated October 12, 2016.

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

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

Mr. Sayers, recounted how, in November 2015, the Authority had entered into an agreement with the Wampanoag Tribe of Gay Head (Aquinnah) pursuant to which the Tribe agreed to transfer Tribal Transportation Program (TTP) funds to the Authority (that the Authority uses to maintain, repair and operate its boat line), and the Authority in turn agreed to make available reduced price automobile and passenger fares to all enrolled Tribal members. Mr. Sayers reported that, in April 2016, the Tribe then transferred \$200,000 of its TTP funds to the Authority, and that the Authority in turn began providing eligible Tribal members with a 20% discount on their otherwise applicable non-commercial vehicle fares (both regular non-commercial automobile fares and excursion fares) between Woods Hole and Martha's Vineyard ("Tribal Fares").

However, Mr. Sayers stated that, while the Tribal Fares program has become very popular with Tribal members, the aggregate amount of the discounts provided by the Authority with respect to those reservations – which amounted to only \$9,119.50 through September 30, 2016 – has proven to be only a small fraction of the \$200,000 of TTP funds that the Tribe has transferred to the Authority. Accordingly, Mr. Sayers said, the staff was recommending that the Tribal Fare discount provided under the Agreement be increased from 20% to 40%.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to amend the Memorandum of Agreement entered into by the Authority and the Wampanoag Tribe of Gay Head (Aquinnah) increasing the discount provided to eligible Tribal members on their otherwise applicable non-commercial vehicle fares (both regular non-commercial automobile fares and excursion fares) between Woods Hole and Martha's Vineyard ("Tribal Fares") from 20% to 40%,

**as recommended by management in Staff Summary #L-459,
dated October 12, 2016.**

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

2017 Reservation Opening Dates:

Mr. Lamson then reviewed the Authority's 2017 reservation opening dates when members of the traveling public will be able to make vehicle reservations during the SSA's 2017 summer and fall schedules, which he said were as follows:

Reservations for the Summer Schedule (05/16/2017 through 10/15/2017)

- Headstart reservations will be accepted (by mail and internet only) from January 5, 2017 through January 11, 2017.
- Reservations for the general public will be accepted by mail and over the internet beginning January 12, 2017.
- Telephone reservations for the general public can be made beginning January 19, 2017.

Reservations for the Fall Schedule (10/16/2017 through 01/04/2018)

- Reservations for the general public will be accepted (by mail, internet and telephone) beginning June 19, 2017.

Mr. Lamson also noted that the "reservation-only" days for vehicles traveling on the Martha's Vineyard route will be every Friday, Saturday, Sunday and Monday from June 23rd through September 4th, as well as from May 25th through May 30th (around Memorial Day), August 22nd, September 5th, October 6th and October 9th (around Columbus Day), which are almost identical to this

past year's dates, except Mr. Lamson noted that the Authority is also adding the Thursday before Memorial Day as a "reservation-only" day because of the amount of traffic it experienced at the Woods Hole terminal that day this year.

2017 Operating Budget:

Mr. Davis asked the Members to adopt the staff's proposed 2017 Operating Budget, noting that the final version of the budget was essentially the same as the preliminary version of the budget that had been presented last month except for some additional trips and some changes in the SSA's estimated computer expenses. Mr. Davis observed that, in 2017, the Authority's operating expenses are now expected be \$95,185,000, which is an increase of \$2,908,000 (or 3.2%) over the current estimate for 2016, and that the significant changes include:

- Payroll expense is expected to increase by \$1,193,000 (or 3.7%).
- Pension expense is expected to increase by \$607,000 (or 8.2%) due in part to new reporting obligations under GASB 68.
- Health care costs are expected to increase by \$808,000 (or 10.8%).
- Payroll taxes are expected to increase by \$74,000 (or 3.2%).
- Depreciation expenses are expected to decrease by \$203,000 (or 2.0%) because, even though the Authority will have a full year's depreciation of the *M/V Woods Hole*, the *M/V Iyanough* will become fully depreciated at the beginning of the year.
- Vessel fuel oil is expected to increase by \$1,156,000 (or 21.5%). Mr. Davis stated that crude oil is currently trading around \$45-\$50 per barrel and that the staff expects it to range next year between \$45 and \$55 per barrel. In addition, Mr. Davis said, this anticipated increase in price accounts for almost half of the Authority's projected vessel fuel oil cost increase, while the remaining portion is attributable to additional fuel consumption.
- Vessel maintenance is expected to decrease by \$434,000 (or 4.8%).
- Terminal repairs are expected to decrease by \$969,000 (or 36.0%) as this year the Authority had substantial dolphin and dock repairs at the Nantucket terminal.
- Telephone expenses are expected to increase by \$217,000 (or 31.1%) as the Authority will be making data communication upgrades.
- Insurance expenses are expected to increase by \$155,000 (or 4.3%).

Mr. Davis then observed that the Authority's operating revenues next year are projected to be \$104,404,000, representing a \$1,375,000 (or 1.3%) increase from the current estimate for 2016. Based upon the staff's estimates of revenues and expenses for 2017, Mr. Davis said, the Authority's net operating income is expected to be around \$8,287,000. Mr. Davis noted that, by comparison, the Authority's bond interest and principal requirements will be around \$8,634,000 next year. Mr. Davis also reported that, in 2017, 55.4% of the Authority's cost of service will be allocated to the Martha's Vineyard route, and 44.3% to the Nantucket route, while the Martha's Vineyard route is expected to generate 56% of the Authority's revenues and the Nantucket route 44%.

Finally, Mr. Davis noted that the staff had included with the materials a five-year projection of the Authority's operating revenues and expenses based upon certain assumptions regarding payroll and related costs, fuel expense, depreciation, and bond interest. Mr. Davis stated that, assuming there are no traffic increases, additional sources of revenue, or changes to the Authority's service levels during this five-year period, future average annual rate increases of 2% may be required to maintain the same operating margins.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to adopt the 2017 Operating Budget as proposed by management in Staff Summary #A-598, dated October 6, 2016.

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

2017 Capital Budget:

Mr. Davis asked the Members to adopt the staff's proposed 2017 Capital Budget, observing that, as of August 31, 2016, the Authority had \$21,461,000 in funds available for its capital projects, and that an additional \$11,797,000 will be transferred to the Replacement Fund and Bond Redemption Account during the remainder of 2016. Mr. Davis reported that the staff is anticipating that an additional \$13,500,000 will be provided through the issuance of bonds or bond anticipation notes to fund the construction of the Authority's new administrative offices, and that \$39,560,000 is needed to complete current projects which already have been approved, leaving \$7,198,000 currently available for new projects. Accordingly, Mr. Davis said, the staff was proposing new projects totaling \$4,217,000 (including an allowance of \$250,000 for miscellaneous projects under \$50,000), including:

- Shuttle bus replacements (\$300,000);
- Passenger ticketing and access control systems (\$750,000);
- Design and engineering to extend the Hyannis terminal's fast ferry passenger shelter (\$25,000);
- Design and engineering to extend the Nantucket terminal's fast ferry passenger shelter (\$50,000);
- Parking access and revenue control system revenue hardware (\$250,000);
- Trench drain around pier with storm sceptor at the Fairhaven Vessel Maintenance Facility (\$115,000);
- Design and engineering for the *M/V Island Home* bow thruster prime mover upgrades (from electric drive to diesel reduction) (\$30,000);
- Replacement of two of the four HVAC systems for the Mashpee Reservations Office (\$35,000);
- Canopy to cover Genie booms and other equipment at the Fairhaven Vessel Maintenance Facility (\$71,000);
- Fork lift replacement at the Falmouth warehouse and a new forklift at the Fairhaven Vessel Maintenance Facility (\$100,000);
- Additional inflatable buoyant apparatuses (IBAs) for the *M/V Woods Hole* (\$40,000);
- MIS network and data center equipment to be installed in the Authority's new administrative office building (\$2,129,000); and
- Personal computer replacements (\$72,000).

Mr. Davis noted that the staff's proposed Capital Budget also included the construction of a new maintenance shop building and related site work on the Authority's property at 50 Bernard St. Jean Drive, Falmouth, but that project would be contingent upon the Authority's ability to obtain additional funding for the project through state and/or federal grants. As a result, Mr. Davis said, if all of the projects are completed as estimated, there would be approximately \$3,000,000, not including the fund transfers that will be made during the 2017 calendar year, remaining for contingencies and future projects.

Ms. Gladfelter observed that the Authority appeared to be replacing two of its shuttle buses every year, which she said was fine, but she asked whether the staff had given any thought about making the bus service more environmentally friendly. In response, Mr. Rozum stated that the staff had attempted to obtain a grant to operate electric buses, which cost significantly more than diesel buses, but that the funding did not materialize. Mr. Rozum also noted that he had just attended a conference on alternative fuel vehicles, and that some of the Authority's shuttle buses in Hyannis operate on compressed natural gas (CNG). Mr. Rozum stated that the issue with operating CNG buses for the Authority's Falmouth parking lots was the fact that there is no CNG fueling station in or around Falmouth because no one else in the area is using CNG vehicles and, even if the Authority were to install its own CNG fueling station, there would be no way to fuel its buses if that station were ever to go down.

Ms. Gladfelter thanked Mr. Rozum for the information and asked him to keep the possibility of having alternative fuel buses on his radar, observing that the Falmouth Board of Selectmen were also interested in looking for ways to reduce fossil fuel consumption.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to adopt the 2017 Capital Budget as proposed by management in Staff Summary #A-599, dated October 6, 2016.

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

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

Mr. Davis asked the Members to approve the renewal of the Authority's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for the period from July 1, 2017 through June 30, 2018. Mr. Davis noted that every year the Authority enters into the agreement to establish a fixed price for the transportation of student groups, teachers, administrators and game officials on school-approved travel for the District's upcoming fiscal year (beginning July 1st), and that the fixed price is intended to reflect approximately a 50% discount over applicable tariff rates. Mr. Davis reported that, for several years, the agreement established a fixed price of \$60,000, which reflected around a 50% discount over applicable tariff rates, and he stated that the staff was recommending that the fixed price under the new agreement again be \$60,000, as the amount of school-approved travel has remained relatively steady over the years and the Authority's 2017 Operating Budget does not include any rate adjustments for next year.

In response to a question from Ms. Gladfelter, Mr. Davis stated that the agreement does not cover transportation for mainland school groups who travel to Martha's Vineyard to compete with the island's school teams. But Mr. Davis noted that those mainland school groups are able to travel under the Authority's student and youth group fares, although their discount from the Authority's regular fares is not as much as the 50% discount provided to the islands' schools.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to authorize the General Manager to execute a renewal of the Authority's transportation agreement with the Martha's Vineyard Regional High School District for school-related approved transportation for a fixed price of \$60,000 for the period from July 1, 2017 through June 30, 2018, as recommended by management in Staff Summary #A-600, dated October 6, 2016.

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

Construction of the Authority's New General Offices:

Mr. Lamson then asked the Members to award Contract No. 16-2016 for the construction of the Authority's new General Offices to the lowest eligible and responsible general bidder for the contract, G&R Construction, Inc. (G&R) of Quincy, Massachusetts, for the total contract price of \$12,687,000. Mr. Lamson recounted how the Authority had prequalified seven general bidders and 57 sub-bidders (including at least three sub-bidders in each of the 13 sub-trades) to submit bids for the contract, and he noted that G&R's bid was \$313,000 less than the \$13,000,000 cost estimate the Authority had received for contract.

Mr. Lamson observed that the contract will require G&R to construct the building that will serve as the Authority's new administrative offices, public meeting spaces and IT/data center, and will be a three-story structure located within the Palmer Avenue parking lot with a full basement, approximately 32,000 square feet in size. In addition, Mr. Lamson said, the contract work includes associated site work for utilities, storm water drainage, new paved parking areas and landscaping. Finally, Mr. Lamson stated that, after the contract is awarded, G&R would be given a notice to proceed with the construction work and, once that notice to proceed is given, all work required under the contract is to be completed within 426 calendar days (approximately 14 months).

Mr. Hanover stated that he was amazed that all three general bids were within \$500,000 of each other, and he asked whether that was because the contract was not for marine work. In response, Mr. Sayers stated that the small variance in the bid amounts may have been attributable to the efforts of the Authority's design team and Mr. Cloutier to leave little to question in the Authority's scope of work for the contract. Mr. Cloutier agreed, observing that the Project Manual for the contract was very detailed, containing more than 1,500 pages of specifications and 239 pages of contract drawings.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Phase 2 of Contract No. 16-2016 for the Construction of the Authority's New General Offices to G&R Construction, Inc. of Quincy, Massachusetts, the lowest eligible and responsible general bidder for the Contract for the Total Contract Price of \$12,687,000, as recommended by management in Staff Summary #GM-675, dated October 17, 2016.

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

Purchase of Two Passenger Buses:

Mr. Lamson asked the Members to approve the purchase of two shuttle buses from Dattco, Inc. of New Britain, Connecticut, for the combined price of \$288,885, noting that the buses will be used for transporting customers between the Woods Hole terminal and the Authority's off-site parking lots in Falmouth and Cataumet, as well as transporting customers between the Hyannis terminal and the Authority's Hyannis off-site parking lots.

In response to a question from Mr. Hanover, Mr. Rozum stated that, if the buses were to be upgraded so that they can be fueled by CNG, the additional cost would be between \$50,000 and \$60,000 per bus; but he noted that the real issue with operating CNG buses between the Woods Hole terminal and the Authority's off-site parking lots in Falmouth was the lack of a CNG fueling station in that area. Then, in response to a question from Ms. Gladfelter, Mr. Rozum stated that the CNG fueling station in Yarmouth that is used by the Authority for its Hyannis buses is used by only a few other companies (including MassDOT and National Grid). Mr. Rozum also stated that the station is old and has only one pump. As a result, Mr. Rozum said, when the pump fails the Authority cannot fuel its Hyannis buses, which is what happened once during a busy summer weekend and required the Authority to bring buses to Hyannis from Woods Hole.

Ms. Gladfelter then suggested that it might be worth starting a discussion with the Town of Falmouth and the Cape Cod Regional Transit Authority about having a CNG fueling station in Falmouth. In response, Mr. Rozum stated that the Regional Transit Authority currently uses diesel buses and that he has discussed their future plans with them to see if there might be any players in the area that would fuel their vehicles with CNG.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to exercise the option to purchase two (2) shuttle buses with wheelchair lifts from Dattco., Inc. of New Britain, Connecticut, for a total price of \$288,885, pursuant to the terms and conditions of Contract #04-2015, as recommended by management in Staff Summary #TPF-2016-15, dated October 7, 2016.

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

Environmental Monitor for the
Woods Hole Terminal Reconstruction Project:

Mr. Lamson then asked the Members to authorize a change order to the Authority's design contract with Bertaux + Iwerks Architects, LLC (BIA) in the amount of \$533,390 to provide environmental monitoring services during all six construction phases of the Woods Hole terminal reconstruction project, as required by the Order of Conditions for the project that has been issued by the Falmouth Conservation Commission. Mr. Lamson stated that, if the change order is approved, BIA will engage the services of GZA GeoEnvironmental, Inc. (GZA) to be the project's Environmental Monitor, who is expected to be on-site one day per week during the construction seasons from 2016 through 2023 and to prepare weekly reports for the Commission. Mr. Lamson further stated that GZA will also review the contractor's filing for the Stormwater Construction General Permit that is required to be submitted to the EPA prior to each construction season, and will prepare a turbidity monitoring plan for submission to the Massachusetts Department of Environmental Protection, which will include the equipment, frequency and procedures that will be used during dredging.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve a change order to the Authority's design contract with Bertaux + Iwerks Architects, LLC, in the amount of \$533,390.00, to provide environmental monitoring services during all six construction phases of the Woods Hole terminal reconstruction project in accordance with the Order of Conditions issued by the Falmouth Conservation Commission for the project, provided that the Falmouth Conservation Commission approves GZA GeoEnvironmental, Inc. to be the Environmental Monitor for the project, as recommended by management in Staff Summary #L-460, dated October 12, 2016.

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

Search/Selection Process for the New General Manager:

Mr. Balco recounted how, at their meeting last month, the Members had approved the recommendation of the Authority's Search/Selection Committee for the New General Manager, that, before deciding whether to conduct an external search for someone to fill the position of General Manager, the Members should provide the Authority's employees with the opportunity to apply for the position. Accordingly, Mr. Balco said, the Authority's employees were notified that, if any of them would like to be considered, the deadline for submitting their applications was October 5th.

Mr. Balco reported that the Committee then met on October 11th and conducted the preliminary screening of the candidates in executive session. In this regard, Mr. Balco emphasized that the Committee appreciated the time and effort that all of the candidates took in submitting their applications, and he observed that each of them has important capabilities and strengths that make them valuable employees of the Authority. However, Mr. Balco reported that, ultimately, the Committee unanimously concluded that only one of them has all of the qualifications that are necessary to be considered by the Board for the

position of General Manager, and that the candidate is Robert Davis. Mr. Balco then stated that the Committee was therefore recommending that the Members consider Mr. Davis for the position.

Mr. Balco stated that it was now up to the Members to decide how to proceed, observing that one alternative would be to schedule a special meeting to interview Mr. Davis to help the Members decide whether to select him to be the Authority's next General Manager, and that another alternative would be for the Members to still conduct an external search or provide another opportunity for other Authority employees to apply for the position. But Mr. Balco stated that those decisions are up to the Board, and that the Committee's recommendation was simply that, in the Committee's unanimous opinion, Mr. Davis has all of the qualifications that are necessary to be considered by the Members for the position of General Manager and that the Members should consider him for that position. Finally, Mr. Balco noted that the Committee's members were himself, Ms. Gladfelter, who served as Chair, Mr. Hanover, Nantucket Port Council member Nathaniel E. Lowell, and Falmouth Port Council member Robert S. C. Munier.

Mr. Hanover then stated that his preference would be to have a special meeting within the next few weeks to interview Mr. Davis for the position, and the other Members agreed.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to schedule a special meeting for the purpose of interviewing Treasurer/Comptroller Robert B. Davis for the position of General Manager.

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

Ms. Gladfelter then asked Mr. Lamson if he could schedule such a special meeting for the Members and, in response to a question from Mr. Jones, also asked Mr. Lamson to invite the Port Council to the meeting and encourage all of the Port Council members to attend the meeting if they can. Mr. Sayers also noted that the meeting would be conducted in open session.

Advertisement of the Authority's 2017 Operating Schedules:

Mr. Lamson recounted how, in August, the Authority had published its proposed 2017 operating schedules in local newspapers and had asked the public to comment on them beginning August 18th through September 27th by emailing schedules@steamshipauthority.com. However, Mr. Lamson said, due to a flagging problem with one of the Authority's email security programs, the 46 comments from the public that were emailed to that address were never delivered to their intended recipients.

Mr. Lamson noted that many of those comments were from Woods Hole and Falmouth residents objecting to the Authority's 5:30 a.m. freight trip from Woods Hole, and that their complaints about that trip – including trucks showing up before the terminal opens at 5:00 a.m. and the noise generated by trucks idling their engines and having to back onto the 5:30 a.m. ferry – have been discussed during many Authority and Port Council meetings this past year. In addition, Mr. Lamson said, since these complaints were first raised last fall, the Authority has taken a number of steps to address them, including assigning a drive-through freight boat to operate the 5:30 a.m. trip so that trucks will not have to back up when they are loaded onto it.

Mr. Lamson also noted that four Martha's Vineyard residents had emailed comments asking whether the Authority could add unscheduled trips. However, Mr. Lamson stated that, even though the Authority's vessels on the Martha's Vineyard route that are only scheduled to operate six round trips per day can run a seventh daily unscheduled round trip in order to meet demand, the Authority does not include them in the schedules until the other scheduled trips fill up. Mr. Lamson also stated that the Authority has only added a fifth vessel on this route during the third week in August in order to help relieve the pressure when people who have traveled to the island all summer long are trying to leave during the same weekend. In this regard, Mr. Lamson noted that, even though many of those people are unable to obtain reservations during that weekend, they still drive down to the island ferry terminals anyway.

Nevertheless, Mr. Lamson stated that, even though those public comments did not raise any new issues that have not previously been considered, he wanted to apologize for this failure of the Authority's email system to deliver them to the Authority's staff and, as a result, the staff's failure to include them with their original recommendation. Ms. Gladfelter then also noted that all of the Members have now received the comments and have read them.

The Authority's Fall Operating Schedules:

Mr. Lamson stated that, after the Authority began its 2016 Fall Operating Schedules the previous week, the staff recognized immediately that they need to revisit those schedules next year on both routes, as the Authority clearly was not meeting traffic demands at that time. Mr. Lamson stated that, while he expects the staff will consider providing more service next year for at least a few weeks after the Columbus Day weekend, such additional service will make next year's repair schedule more difficult because the *M/V Martha's Vineyard* will be undergoing its mid-life refurbishment then. As a result, Mr. Lamson said, the Authority may have to use the spare vessel and keep it in Woods Hole.

Mr. Lamson further observed that the staff would not necessarily be recommending that the Authority keep the Oak Bluffs terminal open later in the year next year, as the Authority will be able to operate all of the additional service out of the Vineyard Haven terminal. Mr. Lamson also noted that, during this time of year, many trips in and out of Oak Bluffs might end up having to be diverted to Vineyard Haven anyway.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, as well as the minimum requirements for the design of the *M/V Woods Hole*. In this regard, Mr. Huss reported that the Port Council had been advised that the vessel's hull design is different because of the requirement that it has to carry 1,000,000 pounds of vehicles, and that, aside from that issue, everyone seems very happy with the vessel's performance.

Mr. Huss noted that the Port Council had discussed the staff's proposed 2017 Operating and Capital Budgets and the closing of the Reservation Office at the Martha's Vineyard Airport. Mr. Huss said that he had asked the staff to consider whether the Oak Bluffs terminal can be used as a reservation office during the off-season and whether it can open earlier during the summer to accommodate Edgartown and Oak Bluffs residents. Mr. Huss also observed that, if the Authority does extend the summer operating schedule next year, he saw no reason why the Authority could not continue to operate from Oak Bluffs, which he stated was very willing to accept the traffic.

Public Comment:

Martha's Vineyard resident Michael Carroll declared that he thought the previous Wednesday had been the busiest day of the year at the Authority's Vineyard Haven terminal this year, due to so many people trying to travel off-island all day long. Mr. Carroll then complimented Associate Agent David Merritt and all of the Vineyard Haven terminal employees, saying that they were very polite and did everything humanly possible to please everyone.

Mr. Carroll then asked the Members not to tie up the *M/V Woods Hole* so early in the afternoon, observing that people were still trying to travel standby later in the day and the season was getting longer and longer. Finally, Mr. Carroll informed the Members that a door was open to the shed with all of the Authority's electronics at the end of the pier, and that the situation should be corrected because the equipment was getting wet during bad weather.

Oak Bluffs Selectman Michael Santoro thanked Oak Bluffs Terminal Manager Bridget Tobin and all of the Authority's Oak Bluffs terminal employees for the fantastic job they did this past summer, which he said had been very demanding. Mr. Santoro also stated that the Town would love to have the Authority's reservation office there, and that the Authority should also consider dedicating a ticket window for customers who are just making reservations.

In response to a question from *Martha's Vineyard Times* editor Nelson Sigelman, Mr. Lamson stated that the staff was also to continue looking at its service schedule for this year to see what the Authority can do to meet the additional traffic demand, but that there were few options at this point other than providing additional service with the *M/V Woods Hole* later in the day, which will not help those people trying to travel off-island in the morning.

In response to another question from Mr. Sigelman, Mr. Lamson stated that the Authority recently had issued a request for proposals for equipment that will be able to scan tickets, and that the Authority also was in the process of updating its point-of-sale ticketing system so that customers can buy passenger tickets on line or have cards with value on them. Mr. Lamson noted that the Authority will need to scan passenger tickets to validate them and make certain passengers are not using duplicate tickets.

Mr. Sigelman then asked Mr. Lamson about the recent letters to the editor that had suggested that the Authority limit the number of its trips or reduce its advertising to somehow reduce the number of cars on the island. In response, Mr. Lamson noted that, ironically, he was getting telephone calls and emails

about how the Authority was not providing enough service, rather than providing too much. Mr. Lamson also noted that the Authority's advertising budget was around \$1,000,000, or one percent of its revenues, and he observed that the Authority had to advertise along with all of its competitors to ensure that it maintains an appropriate share of the market.

Mr. Hanover also noted that the Authority's advertising encouraged people to visit the islands without their vehicles, and that the Authority does its best to meet traffic demands rather than create them. Mr. Hanover also observed that people have a right to travel between the mainland and that, while traffic on Martha's Vineyard this summer had never been worse, the Authority actually had operated 21 fewer trips during July and August than it had operating during those same months in 2015, and the increase in the number of vehicles carried by the Authority was attributable to the increase in excursion travel. Finally, while Mr. Hanover agreed that traffic on the island was a dilemma, he stated that it was an issue that had to be addressed by the island's residents.

Mr. Sigelman then announced that this was his last Authority meeting as an official reporter for the *Martha's Vineyard Times*, and he stated that it had been a pleasure reporting on the Authority over the years. Mr. Sigelman further stated that it also had been a pleasure to work with Messrs. Lamson, Davis and Sayers, and that he always felt he was receiving all of the information he had requested from them and needed to write a good story.

At approximately 11:05 a.m., Ms. Gladfelter entertained a motion to go into executive session to discuss the deployment of security personnel or devices, or strategies with respect thereto, and also to discuss the Authority's strategy with respect to litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's litigating position. After Ms. Gladfelter announced that these matters included the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to go into executive session to discuss the deployment of security personnel or devices, or strategies with respect thereto, and also to discuss the Authority's strategy with respect to litigation matters.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
October 18, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. October 18, 2016 Meeting Memorandum, dated October 13, 2016.
2. Minutes of the September 27, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of August 2016.
4. Staff Summary #L-461, dated October 12, 2016 – Woods Hole Temporary Terminal Building Indemnification Agreement.
5. Staff Summary #L-459, dated October 12, 2016 – Amendment to Agreement with the Wampanoag Tribe of Gay Head (Aquinnah).
6. Staff Summary #RCR-1-2016, dated October 12, 2016 – Proposed 2017 Opening Dates.
7. Staff Summary #A-598, dated October 6, 2016 – Proposed 2017 Operating Budget.
8. Staff Summary #A-599, dated October 6, 2016 – Proposed 2017 Capital Budget.
9. Staff Summary #A-600, dated October 6, 2016 – Transportation Agreement with M.V. Regional High School District.
10. Staff Summary #GM-675, dated October 7, 2016 – Contract No. 16-206 “Construction of the New General Offices at 228 Palmer Ave., Falmouth, MA.”
11. Staff Summary #TPF-2016-15, dated October 7, 2016 – Purchase (2) Two 36 Passenger Heavy Duty Transit buses w/ Wheelchair Lifts.
12. Staff Summary #L-460, dated October 12, 2016 – Environmental Monitoring Services for the Woods Hole Reconstruction Project.
13. Minutes of the Port Council’s October 5, 2016 Meeting (draft).
14. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
October 31, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 31st day of October, 2016, beginning at 2:15 p.m., in the second floor conference room of the Authority's Woods Hole terminal, located at the foot of Railroad Avenue, Woods Hole, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert L. O'Brien of Barnstable; and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs, Port Council Vice Chairman George J. Balco of Tisbury, and Port Council members Robert R. Jones of Barnstable and Frank J. Rezendes of Fairhaven were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Engineering and Maintenance Carl R. Walker; Director of Human Resources Phillip J. Parent; and General Counsel Steven M. Sayers.

The Consideration and Interview of Treasurer/Comptroller
Robert B. Davis for the Position of the Authority's General Manager:

Ms. Gladfelter began the meeting by announcing that the only item on the agenda was the consideration and interview of Mr. Davis for the position of General Manager after the Authority's current General Manager retires at the end of June 2017, and she stated that, after interviewing Mr. Davis, the Members will discuss and decide whether he should be selected for the position or whether the Authority should take some other action. Ms. Gladfelter then opened the meeting to the other Members so that they could ask any questions they might have.

Mr. O'Brien asked Mr. Davis what personal and professional strengths he brought to the Authority. In response, Mr. Davis stated that he always considered his work at the Authority more than just a job, that he has always enjoyed being a hard worker and wanting to get the task done and to keep an

eye on what needs to be done. In addition, Mr. Davis said, he has been able to manage the employees in the Authority's Accounting Department, to make certain that those employees meet all of their various deadlines and keep thinking ahead to what needs to be done in the future.

In response to another question from Mr. O'Brien as to what other suits he has besides finance, Mr. Davis stated that he is able to get an overall sense of what needs to be accomplished and to maintain a focus on that. In this regard, Mr. Davis noted that he is constantly dealing with multiple items on both departmental and staff levels, and that he is able to prioritize them and recognize when someone may need more assistance and resources.

Mr. Hanover observed that the Authority was entering a tumultuous time, with a new administrative building being built at Palmer Avenue. Noting that his constituents have a real aversion to rate increases, Mr. Hanover stated that he also has a real concern about the Authority's financial situation, and he asked Mr. Davis how the Authority can avoid large rate increases in the future. In response, Mr. Davis noted that the Authority's new administrative office building was going to cost almost \$14,000,000 and that the reconstruction of the Authority's Woods Hole terminal was going to cost an additional \$16,000,000 per year for the next several years thereafter. Mr. Davis then stated that he had to make certain that the Authority continues to transfer \$9,000,000 per year into the Replacement Fund to minimize the need to issue more bonds for those projects than the \$18,000,000 of new bonds currently anticipated. Mr. Davis observed that the Authority at one point will also need to replace another one of its vessels, so the Authority also has to structure its projects, as well as their funding, in such a way that the Authority has sufficient resources for that new vessel in five to six years. Mr. Davis declared that the worst thing he has to do is to tell the Members that the Authority needs a rate increase, and that he has to keep those increases at a minimum.

In this regard, Mr. Davis noted that he has projected that the Authority will need an average of a 1.9 percent rate increase per year over the next five years, but that the project was based on the Authority maintaining its costs, including its fuel costs through its hedging program, and not receiving any grant money. Thus, Mr. Davis said, he has to keep an eye on the Authority's cost increases but at the same time he has to make sure that the Authority is investing in and maintaining its facilities.

Mr. Ranney observed that Mr. Hanover shares the same concerns he has, and then asked Mr. Davis if he would continue Mr. Lamson's management style of being team-oriented and inclusive of staff members. In response, Mr. Davis stated that he would indeed continue having staff meetings on a regular basis,

as they constitute a dedicated group of people who have a lot of institutional knowledge. But Mr. Davis also noted that he needs to expand that inclusion into the next layer of management as well, and that is what he anticipated doing, as he felt that none of the Authority's employees can work in a vacuum.

Ms. Tierney then asked Mr. Davis why he thought the General Manager's position should be filled from inside the Authority rather than the result of a nationwide search. In response, Mr. Davis observed that a foundation has been laid with respect to where the Authority is going with incremental improvements. In addition, Mr. Davis noted that he knows what the Authority already has gone through with respect to the Woods Hole terminal reconstruction project, including its conceptual design, the plans to move the Authority's administrative offices, and where the project has to go from here. Mr. Davis declared that the Authority has to keep an eye on the finish line for the project, which is one of the biggest projects the Authority has ever undertaken, and there is an advantage to having the next General Manager already having all of that knowledge.

Ms. Gladfelter noted that one of Mr. Lamson's goals has been to improve the Authority's customer service and that, although it is a goal that is never completed, people have begun complimenting how helpful Authority employees are to its customers. Accordingly, Ms. Gladfelter asked Mr. Davis how he wanted to put his stamp on that job. In response, Mr. Davis agreed that it is a job that is never done, and that the Authority has to start utilizing more technologies than it has to improve customer service even more. For example, Mr. Davis said, on Nantucket at the end of summer, there is an issue with people trying to get off the island by traveling standby, and he stated that the Authority needed to begin notifying customers of their status on the standby line by text. Mr. Davis also noted that there are other opportunities where the Authority can use new technology, just as it recently has been successful using visual boarding for the high-speed ferry, which he said should be expanded to the Authority's traditional ferries as well.

Mr. Davis also noted that the quality of the Authority's customer service, at least in part, is also a reflection of the state of its vessels and facilities, and that the Authority needs to make sure that those vessels and facilities are well maintained and operated. But ultimately, Mr. Davis said, customer service depends on the Authority's front line employees, and the Authority has to make certain to support them and continue the customer service training it has been conducting over the past several years.

Ms. Gladfelter then expressed her concern about the disconnect that might occur between the Authority's management staff and its operations when the administrative offices move to Palmer Avenue, and she asked Mr. Davis what strategies he will use to make certain that the staff is aware of the types of issues that the terminal and vessel employees deal with every day even when the staff is no longer seeing and hearing them firsthand. In response, Mr. Davis stated that the staff has to keep in touch with the Authority's front line personnel, and he would consider rotating the locations of the staff meetings in the same manner the locations of the Authority's meetings are rotated. In addition, Mr. Davis said, each staff member has to make sure to spend some time at each of these locations, either on a scheduled or ad hoc basis. Mr. Davis also noted that the new Woods Hole terminal building will have a small office on the second floor that can be utilized by staff members on a regular basis, and that the Authority's other terminals have similar spaces.

Mr. O'Brien then asked Mr. Davis what his vision is of the Authority over the next five to ten years. In response, Mr. Davis observed that it includes an improved Woods Hole terminal facility, noting that its reconstruction project is the Authority's largest undertaking in its history. Accordingly, Mr. Davis said, the Authority has to maintain focus on completing that project over the next five or six years and on maintaining all of its facilities and vessels. Mr. Davis also stated that he expected the Authority's operating schedules to be close to what they are today, and that there would be no big changes from the track the Authority is currently on, which it has to maintain.

Mr. O'Brien then asked how Mr. Davis saw the Authority's fleet in the next ten years. In response, Mr. Davis noted that the Authority has completed a survey of all of its vessels and that it needs to spend more time maintaining them. Mr. Davis also recounted how the *M/V Sankaty* was at the shipyard this past summer, and he stated that the Authority's other vessels similarly will be in repair for extended periods of time to increase their service lives. Observing that the Authority has limited resources, Mr. Davis stated that the Authority needs all of those vessels and that it will be five years before the Authority updates the design specifications for the next vessel it needs. While Mr. Davis acknowledged that the *M/V Woods Hole* has been well received, he noted that, if the decision is made to have the Authority's next new vessel be similar to the *M/V Woods Hole*, the Authority will still need to see what improvements should be made to the design. Mr. Davis also stated that the Authority should be replacing one of its vessels every six to seven years and that, if it does so, it should be able to fulfill its mission.

Mr. Hanover then declared that he was glad Mr. Davis was not planning any major shakeups, as he very pleased with the culture that Mr. Lamson has fostered at the Authority. However, Mr. Hanover stated that he thought the Authority was still very weak in its information technology and that he was concerned about that, and he then asked Mr. Davis if there were any other operational issues that he would change or address.

In response, Mr. Davis noted that the Authority has a number of employees who are probably approaching the end of their careers and that the Authority needs to start developing the next wave of employees at all levels and filling in positions as they become open. Mr. Davis also declared that the Authority has a good group of employees and that it needs to continue keeping them well trained so that they can work their way up and then make sure that the next wave of employees comes after them.

After Mr. Ranney stated that he shared Mr. Hanover's concern, he noted that Mr. Davis has a very impressive resume and is very familiar with both the financial and operational aspects of the Authority's operations. Mr. Ranney then recounted how he has attended several meetings with Mr. Davis and the Authority's independent auditors, and has always been impressed with his knowledge, as reflected in his analysis of the Authority's rates versus its cost of service.

Ms. Tierney then asked Mr. Davis what aspect of Mr. Lamson's job worries him the most and how he plans to address it. In response, Mr. Davis stated that he has to become more involved with agencies such as the United States Coast Guard and know more people in all of those agencies, and he also has to make sure that, as Mr. Lamson does, he keeps his eye on the Authority's ultimate goal with respect to each issue and is cognizant of everyone's concerns, including the concerns not only of the Authority's customers and employees, but also the community.

Ms. Gladfelter then asked Mr. Davis what he thinks keeps Mr. Lamson awake at night. In response, Mr. Davis stated that what is worrisome to him is that the Authority's vessels constantly sail into the water with hundreds of people on board, and he just wants to make certain that everyone arrives safe and sound at their destinations.

Ms. Gladfelter noted that, as the Authority's Falmouth representative, she hears concerns and questions about the Authority from her constituents, and she always has been able to go to Mr. Lamson to ask if he is willing to work with various committees, which he always has been willing to do; and she then asked Mr. Davis if he will be willing to spend time to work with the community. In

response, Mr. Davis declared that one of the aspects of the General Manager's is to listen to the concerns of the Authority's constituent communities and analyze them to see if the Authority can address those concerns while fulfilling its statutory mission. Mr. Davis also noted that hearing different viewpoints helps to round out how matters are approached in terms of how best to meet the needs of both the Authority and its respective communities.

After Mr. O'Brien declared that he had heard what he wanted to hear and that he was satisfied, Mr. Ranney moved that the Members select Mr. Davis to be the Authority's next General Manager subject to contract negotiations, and Mr. O'Brien seconded his motion.

Mr. Jones noted that he has been on the Port Council for 14 years and has watched Mr. Davis analyze the Authority's finances with infinite amounts of data and details that must cause Mr. Davis to dream in spreadsheets. Mr. Jones also stated that he too had sat in on Mr. Davis' meetings with the Authority's independent auditors and that Mr. Davis' work always had been impressive. Therefore, Mr. Jones said, he hoped the Members would vote to select Mr. Davis as the Authority's next General Manager so that the Authority can move forward.

Ms. Gladfelter then asked if there were any questions from the public, but there were no responses.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. O'Brien -- to select Treasurer/Comptroller Robert B. Davis as the Authority's next General Manager, subject to successful contract negotiations.

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

Then, at approximately 2:50 p.m., Ms. Gladfelter congratulated Mr. Davis and stated that she would entertain a motion to adjourn the meeting.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
October 31, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. Agenda of the October 31, 2016 Meeting in Public Session.
2. Letter from Robert B. Davis to Wayne C. Lamson, dated October 4, 2016, stating that he would like to be considered as a candidate for the General Manager's position after Mr. Lamson's retirement, together with Mr. Davis' resume.
3. Notice to Employees, dated September 30, 2016, regarding the October 5, 2016 deadline for applications to be considered for the position of General Manager.

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

The Meeting in Public Session

November 15, 2016

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 15th day of November, 2016, beginning at 9:30 a.m., in the Cultural Center of the Falmouth Historical Society's Museums on the Green, located at 55 Palmer Avenue, Falmouth, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford; Secretary Robert F. Ranney of Nantucket; Robert R. Jones of Barnstable; and Marc N. Hanover of Dukes County.

Port Council Chairman Robert V. Huss of Oak Bluffs and Port Council Vice Chairman George J. Balco of Tisbury were also present, as were the following members of management: General Manager Wayne C. Lamson; Treasurer/Comptroller Robert B. Davis; Director of Information Technologies Mary T. H. Claffey; Director of Marketing Kimberlee J. McHugh; Director of Engineering and Maintenance Carl R. Walker; Woods Hole Terminal Reconstruction Project Manager William J. Cloutier; Reservations and Community Relations Manager Gina L. Barboza; and General Counsel Steven M. Sayers.

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

New Barnstable Member Robert R. Jones:

Ms. Gladfelter then welcomed Mr. Jones as the newly appointed Authority Member from the Town of Barnstable, and noted that he had been the Town of Barnstable's Port Council member for the last 14 years.

Retired Barnstable Member Robert L. O'Brien:

Ms. Gladfelter also expressed all of the Members' gratitude to Robert L. O'Brien, whom she noted had retired this past month as the Town of Barnstable's Authority Member after 25 years of dedicated service. Ms. Gladfelter observed that over the years Mr. O'Brien had sailed with the Authority through some rough waters, and that he also had helped guide the Authority to calmer waters, which she said she hopes will continue into the foreseeable future.

The Members then discussed how they wanted to honor Mr. O'Brien's service to the Authority, and Mr. Lamson stated that was arranging something that would take place on the day of the Authority's next meeting. Mr. Jones also noted that Mr. O'Brien had brought with him to the Authority his extensive experience, including 30 years in the United States Coast Guard where he had commanded two ships in excess of 350 feet, and then served as Chief of Staff for the First District and, subsequently, as the Coast Guard's Chief Financial Officer in Washington, D.C. Mr. Jones further noted that, several times over the years, Mr. O'Brien also served as the Town of Barnstable's Assistant Town Manager and that he was not just a colleague, but also a friend.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on October 18, 2016.

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

Mr. Jones abstained from voting on the minutes of the Members' meeting in public session on October 18, 2016.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to approve the minutes of the Members' meeting in public session on October 31, 2016.

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

Mr. Jones abstained from voting on the minutes of the Members' meeting in public session on October 31, 2016.

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for September 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried 66 fewer passengers (down 0.0%), more automobiles (up 2.2%) and more trucks (up 2.2%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$3,975,000, approximately \$1,102,000 higher than what had been projected, with operating revenues and other income \$1,012,000 higher than projected and the Authority's operating expenses, fixed charges and other expenses \$90,000 lower than projected.

Mr. Lamson also reported that the Authority's net operating income for the first nine months of 2016 had been \$14,885,000, around \$3,874,000 higher than expected, with operating revenues and other income having been \$3,679,000 higher than projected during that period and operating expenses and fixed charges \$195,000 lower than projected. Mr. Lamson noted that the extra vessel maintenance expenses that the Authority had incurred this year, including the dry-docking expenses for the *M/V Governor* and the *M/V Sankaty*, had been partially offset with lower-than-budgeted fuel oil prices and health care costs. In response to a question from Ms. Tierney, Mr. Davis stated that the majority of the savings in health care costs was attributable to the Authority's self-funded plan. Mr. Davis stated that these lower costs reflected the fact that the employees in that plan have been a little healthier this year than in the past, and he expressed his hope that the situation will remain the same in the future.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that the administrative appeal by 13 Falmouth residents of the draft Chapter 91 license that the Department of Environmental Protection (“DEP”) issued for the Woods Hole terminal reconstruction project is proceeding apace. Mr. Lamson stated that, pursuant to the hearing officer’s October 17, 2016 order allowing the Authority’s request to expedite the appeal, the Authority had submitted its pre-filed testimony on November 9th and that the petitioners now have until December 2nd to submit their pre-filed testimony. Mr. Lamson also noted that DEP will then have until December 16th to submit its testimony before the Authority files its rebuttal testimony on December 21st, more than a month before the hearing takes place on January 27, 2017.

In response to a question from Mr. Hanover, Mr. Lamson stated that the petitioners’ appeal had not raised any new issues than those which had been raised during the DEP’s public comment period before the draft license had been issued, and that the petitioners were primarily concerned about the project’s impacts on navigation in and out of the Eel Pond Channel, the reconfiguration of the three slips, and public access along the waterfront, particularly for fishing and fowling. Mr. Lamson also noted that, while the United States Coast Guard did not review the Authority’s proposed project, it was reviewed by the United States Army Corps of Engineers, and that, even though the slips were moving a little farther into the harbor, the Authority is giving back more Land Under the Ocean (LUO) due to the excavation of the wharf where the Authority’s terminal building currently sits.

Construction of the Authority’s New General Offices:

Mr. Lamson also reported that, on October 31st, the staff had a kick-off meeting for the construction of the Authority’s new administrative offices in the Palmer Avenue parking lot with the contractor, G&R Construction, Inc. of Quincy, Massachusetts, and that the contractor had begun mobilizing last week so that it can complete the excavation and foundation work by February 2017. Mr. Lamson stated that the contractor will then start erecting the structure in March 2017, and he noted that the schedule still calls for the Authority to be able to assume occupancy of the building by the end of 2017.

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

Mr. Lamson also reported that the invitation for bids for the mid-life refurbishment of the *M/V Martha's Vineyard* had been issued and that bids are scheduled to be opened on January 10, 2017. Mr. Lamson stated that the project's proposed scope of work had not changed since the staff had discussed it with the Members earlier in the year, and that all of the work will be completed under this one contract. Mr. Lamson also noted that awarding the contract in January will provide the successful shipyard with sufficient time to order all of the equipment with long lead times. Mr. Lamson stated that the vessel will be delivered to the successful shipyard after Labor Day next year and will stay in the shipyard for 4-½ to 5 months before it returns to the Authority's Fairhaven Vessel Maintenance Facility for another month and then resumes service in March 2018.

In response to a question from Mr. Hanover, Mr. Walker stated that he did not know how many shipyards had requested a copy of the invitation for bids (IFB), but more than 20 shipyards had been notified of the IFB. Mr. Walker also stated that it seems like a good time in the industry to issue the IFB and that he thought the Authority will receive some bids. In addition, Mr. Walker said, the project was not too big for Thames Shipyard, although it would be a stretch for that shipyard.

Dry-docking of the *M/V Sankaty*:

Mr. Walker reported that the *M/V Sankaty*, which has been in Thames Shipyard in New London, Connecticut, since the beginning of the summer, was scheduled to be delivered back to the Authority's Fairhaven Vessel Maintenance Facility the next day. Mr. Walker also reported that the vessel's certificate of inspection is being finalized and that he hopes to receive its stability letter by next Friday so that it can be available as a backup vessel over the Thanksgiving weekend.

Hy-Line's Request to Extend Its 2017 Inter-Island Ferry Schedule:

Mr. Lamson asked the Members to approve a request from Hyannis Harbor Tours, Inc. ("Hy-Line") to extend its inter-island ferry service next year by one week so that the last day of its operating season is Sunday, October 8, 2017, instead of Sunday, October 1, 2017. Mr. Lamson noted that, during that

additional week, Hy-Line would continue operating its post-Labor Day schedule of one round trip per day between the islands. In response to a question from Ms. Gladfelter, Mr. Huss stated that Port Council had voted to recommend that the Members approve Hy-Line's request.

IT WAS VOTED -- upon Mr. Jones' motion, seconded by Mr. Hanover -- to authorize the General Manager to execute an amendment to the Authority's license agreement with Hyannis Harbor Tours, Inc. ("Hy-Line") extending the fall portion of its 2017 inter-island schedule by one week, through Sunday, October 8, 2017, as recommended by management in Staff Summary #L-462, dated November 7, 2016.

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

Island Commuter Corp.'s Request to Provide Additional Service:

Mr. Lamson then recounted how, during the last three years, the Authority has allowed Island Commuter Corp. ("ICC") to provide additional service with the *M/V Island Queen* by beginning its summer schedule one week earlier in June, and he asked that the Members approve ICC's request to provide that additional service again during its 2017 operating season. Further, Mr. Lamson said, he was asking that the Members also allow ICC's request to provide an additional trip from Oak Bluffs (at 9:40 a.m.) and an additional trip from Falmouth (at 3:00 p.m.) on Mondays through Thursdays during the *M/V Island Queen's* spring and fall schedules. Mr. Lamson noted that the Authority receives complaints from the public every year about the lack of service provided by the *M/V Island Queen* after Labor Day when, on Mondays through Thursdays, there are no afternoon trips from Falmouth or morning departures from Oak Bluffs.

In response to a question from Ms. Gladfelter, Mr. Huss stated that the Port Council had voted to recommend that the Members approve ICC's request, and he also stated that Martha's Vineyard residents will be very happy about this, as they wonder why the *M/V Island Queen* sits at Oak Bluffs during this time period instead of running additional trips. Also in response to a question from Ms. Gladfelter, Mr. Lamson stated that he had suggested to ICC that it request permission from the Authority to provide these additional trips.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to execute a license agreement with Island Commuter Corp. (ICC) allowing it to provide the additional trips highlighted on the schedules attached to Staff Summary #L-463, dated November 7, 2016, provided that ICC pays the Authority license fees equal to fifty percent (50%) of the Authority's average revenue per passenger on the Martha's Vineyard route in June 2016 for each passenger carried on each of those additional trips, as recommended by management in that staff summary.

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

Revisions to the Authority's Procurement Policy:

Mr. Lamson then asked the Members to approve certain revisions to the Authority's Procurement Policy in order to make the policy consistent with the Act Modernizing Municipal Finance and Government that was passed by the Legislature earlier this year and approved by the Governor on August 9, 2016. Mr. Lamson noted that the act increases the monetary thresholds before certain contracts are required to be awarded through competitive bids, including the monetary threshold in Section 15 of the Authority's Enabling Act (increasing it from \$25,000 to \$50,000) before the Authority is required to award contracts for

construction or for the purchase of equipment, supplies or materials, whether repairs or original construction, through competitive bids.

Mr. Lamson also noted that the original legislation did not have a provision increasing the monetary threshold in Section 15 of the Authority's Enabling Act, but that the Authority was able to get that provision included through an amendment to the bill, and he expressed his appreciation to State Representative Timothy Madden for his assistance in that effort. In response to a question from Ms. Gladfelter, Mr. Huss stated that the Port Council had voted to recommend that the Members approve the proposed revisions to the Authority's Procurement Policy.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to approve a revised version of the Authority's Procurement Policy in the form attached to Staff Summary #L-464, dated November 7, 2016, as recommended by management in that staff summary.

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

Additional Thanksgiving Week Service:

Mr. Lamson informed the Members that the Authority will be providing additional service for both islands during the week of Thanksgiving (beginning Monday, November 21st, through Sunday, November 27th). Mr. Lamson stated that the *M/V Martha's Vineyard* will begin the week on the Nantucket route (providing one additional round trip on Monday and two on Tuesday) and then provide service on the Martha's Vineyard route (providing three additional round trips on Wednesday and four on Friday). However, Mr. Lamson noted that, because the *M/V Martha's Vineyard* also will be providing service for the football game between Nantucket and Martha's Vineyard on Saturday, it will be able to make only two trips that day in each direction between Vineyard Haven and Woods Hole before providing four more round trips on Sunday.

Mark Snider thanked the Members for the additional Thanksgiving week service, observing that the weather becomes an issue during this time of year, especially as off-season business continues to grow. Mr. Snider recounted how, during last year's Christmas Stroll, thousands of high-speed ferry passengers had been stranded on Nantucket due to bad weather, and he encouraged the Members to continue providing alternative service for the public during those situations.

Easement with NSTAR Electric Company:

Mr. Lamson asked the Members for authorization to execute an Easement with NSTAR Electric Company (now doing business as Eversource Energy) that will allow NSTAR to lay and maintain underground lines and above-ground equipment to provide electric service to the Authority's new administrative office building in the Palmer Avenue parking lot. Ms. Gladfelter noted that the Port Council did not have an opportunity to consider this matter, but Mr. Huss observed that the Authority really didn't have any choice, as it has to give NSTAR the easement if it wants to construct the building.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to authorize the General Manager to execute an Easement with NSTAR Electric Company in the form attached to a letter from Donna Rosa, NSTAR's Right of Way Agent, to the Authority, dated November 9, 2016.

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

Treasurer's Report:

Mr. Davis reported that the Authority had carried more passengers (up 5.8%), more automobiles (up 4.4%) and more trucks (up 1.1%) during the month of October 2016 than it had carried during the same month in 2015, and that, for the first ten months of 2016, the Authority had carried 3.7% more passengers, 3.9% more automobiles, and 5.4% more trucks than it had carried during the first ten months of 2015. Mr. Davis also reported that the Authority's net operating income for the month was expected to be around \$900,000, approximately \$350,000 higher than what had been projected, with operating revenues \$425,000 higher than projected and the Authority's operating expenses \$150,000 also higher than projected. Mr. Davis also noted that the Authority's net operating income for the first ten months of 2016 was expected to be around \$15,785,000, which was approximately \$4,225,000 higher than expected.

During his report, Mr. Davis noted that the Authority's miscellaneous income, which consists principally of license fees, had been \$90,000 higher than projected during October 2016. Ms. Tierney then asked whether any of that increase had been attributable to SeaStreak's new service between New Bedford and Nantucket, but Mr. Davis noted that SeaStreak had stopped that seasonal service in September, and he stated that the entire increase in license fees had been attributable to Hy-Line's high-speed service. Mr. Davis also observed that the Authority's license fee projections for the last four months of the year had been based on Hy-Line's 2014 traffic figures, so he expects that Hy-Line's license fees will continue to be greater than the Authority's projections for the remainder of the year.

New Modular Temporary Woods Hole Terminal Building:

Mr. Lamson then asked the Members to award Contract No. 23-2016 for the Authority's new modular temporary terminal building at the Woods Hole terminal to Triumph Modular, Inc. of Littleton, Massachusetts, saying that Triumph was the responsible, responsive and eligible proponent who submitted the most advantageous proposal for the contract, for a Total Contract Price of \$2,591,182. Mr. Lamson noted that Triumph's proposal was highly responsive to the project's requirements and evidenced Triumph's understanding of not only the project as a whole, but also its complex site issues. Further, Mr. Lamson said, Triumph's proposal also illustrated how the on-site and off-site work will be coordinated and, under Triumph's proposed schedule, the temporary terminal building might be completed as early as next June, although the contract will still require that it be completed no later than December 2017.

Mr. Jones asked whether anyone will be able to make use of the building after it is replaced by the permanent Woods Hole terminal building, and whether it will be able to be dismantled and used elsewhere. In this regard, Mr. Jones observed that it might be of value to non-profit organizations, even though there would be additional costs to move it. In response, Mr. Lamson stated that the staff is not aware of any use that the Authority might have for the building after the Woods Hole terminal reconstruction project is completed, and he stated that the Authority could then issue a request for proposals to see if there is someone else who would like to use the building. Ms. Gladfelter then noted that the Town of Falmouth also has expressed an interest in the building.

Mr. Cloutier stated that, while the individual modular units will be able to be dismantled, the building itself is a unique design which does not lend itself well to other uses. But Mr. Cloutier stated that the staff can investigate whether the building would be suitable for someone else's use, although he noted that the staff had concluded that Authority will not have any subsequent use for it.

Ms. Gladfelter noted that the Port Council did not have an opportunity to review this matter, but Mr. Huss stated that his personal feeling was that the Authority should accept the findings of the individuals who reviewed the proposals that were submitted in response to the RFP.

IT WAS VOTED -- upon Mr. Jones' motion, seconded by Ms. Tierney -- to award Contract No. 23-2016 for the Authority's new modular temporary terminal building at the Woods Hole ferry terminal to Triumph Modular, Inc. of Littleton, Massachusetts, the responsible, responsive and eligible proponent who submitted the most advantageous proposal for the Contract, for the Total Contract Price of \$2,591,182.00, as recommended by management in Staff Summary #L-465, dated November 14, 2016.

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

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

Mr. Lamson then asked the Members to award Contract No. 25-16 for dry-dock and overhaul services for the *M/V Katama* to Thames Shipyard and Repair Company, Inc. of New London, Connecticut, the lowest eligible and responsible bidder for the contract, for a Total Contract Price of \$931,120. Mr. Lamson noted that the *M/V Katama* is scheduled to be in the shipyard from January 4, 2017 through February 20, 2017 to undergo a required United States Coast Guard hull exam, sea valve, shaft, propeller and rudder inspections, hull plating replacement and commercial blasting and coating, and that the major work includes bottom plate replacement, painting above the rub rail, ladder reconfigurations, HVAC installations at Voids 4 & 5, HVAC modifications in the CO₂ room, vehicle tie-down modifications, rescue boat davit replacement and an overhaul to one of the vessel's reduction gears.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract #25-16 for dry-dock and overhaul services for the *M/V Katama* to the lowest eligible and responsible bidder for the Contract, Thames Shipyard and Repair Company, Inc., of New London, Connecticut, for a Total Contract Price of \$931,120.00, as recommended by management in Staff Summary #E 2016-21, dated November 9, 2016.

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

In response to a question from Mr. Hanover, Mr. Walker stated that there is always a chance that the shipyard will encounter more steel that needs to be replaced than the amount included in the Total Contract Price. For example, Mr. Walker said, the Authority does not have access to inspect all of the void areas in the stern, and so it will probably end up with some change order on the amount of steel that is cut there. But Mr. Walker stated that the Authority is able to inspect the rest of the vessel and that, based upon what the staff can see, it looks all right. Mr. Walker also noted that the amount of Thames' bid was considerably lower than the amount that has been budgeted for this contract,

which Mr. Walker said had been based upon costs historically incurred by the Authority for dry-docking the vessel and then increased somewhat to take into account the possibility that neither Thames nor Senesco Marine is available to do the work.

Access Control Readers for Point-of-Sale Ticketing System:

Mr. Lamson then asked the Members to award Contract No.27-2016 for access control readers and related interface with the Authority's point-of-sale ticketing system upgrade to SKIDATA Inc. of Lakewood, Colorado, for a Total Contract Price of \$633,742.45. Mr. Lamson reported that, under the Contract, SKIDATA will provide and install 28 ticket control readers with turnstiles/gates, 14 additional readers (without turnstiles/gates), and fifteen hand-held scanners for the Authority's five ferry terminals by March 15, 2017, along with the required software interface with the Authority's ongoing point-of-sale ticketing system upgrade. Mr. Lamson noted that SKIDATA's equipment is particularly suited for outdoor use without additional weather protection, as the firm provides ticketing and access control systems for numerous ski resorts, and he also noted that the scanners are capable of reading and processing various ticket formats and mobile devices from a single scanning point.

Mr. Lamson stated that, by using the access control readers, the Authority eventually will get to the point where it can sell tickets online. Mr. Lamson also noted that the Authority will still need to buy some additional hardware for each of its terminals so that the system can operate even when a terminal loses connectivity with the main server. In this regard, Mr. Lamson observed that, although the project's original cost estimate was \$750,000, it will end up costing more than that.

In response to a question from Ms. Gladfelter, Mr. Huss stated that if a customer were to give a copy of his or her ticket to someone else, and that person boarded the ferry and had the copy of the ticket scanned before the customer who bought the ticket boards the ferry, the system will reject the customer's original ticket as already having been used. Mr. Hanover noted that he had used this type of system while skiing and that it is fantastic and able to scan thousands of people. After Mr. Hanover also stated that the system allows people to recharge their cards, Mr. Lamson noted that it will eventually allow the Authority to eliminate the printing of ticket books.

In response to a question from Mr. Jones, Mr. Lamson stated that the plan is to have three or four readers at each terminal so that there is sufficient redundancy in the event a reader goes down or otherwise has to be taken offline. Mr. Lamson also noted that some of the readers will be portable and may be rolled out of the terminal building in the morning and then rolled back into the building at night. In response to another question from Mr. Jones, Mr. Lamson stated that the Authority might have a separate line for customers who are able to have their tickets scanned, and might eventually place turnstiles on the dock so that those customers can go through a turnstile instead of having employees scan their tickets.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to award Contract No. 27-2016 for access control readers and related interface in connection with the point-of-sale ticketing system upgrade to SKIDATA Inc. of Lakewood, Colorado, in the amount of \$633,742.45, as recommended by management in Staff Summary #GM-676, dated November 8, 2016.

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

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day. Mr. Huss also noted that Nantucket Port Council member Nathaniel E. Lowell was very pleased about the additional Thanksgiving week service the Authority will be providing, and that he knew Martha's Vineyard residents are very pleased about it as well.

Mr. Jones then said that he wanted to express how enjoyable it had been to spend fourteen years on the Port Council and work with all of the other Port Council members, including Messrs. Huss and Balco. Mr. Jones noted that the Port Council provides a great service for the Authority by reviewing all of the staff's proposals before each Authority meeting in a more relaxed atmosphere. Ms. Gladfelter agreed, saying that she finds reading the minutes of Port Council meeting very useful when preparing for Authority meetings, as many of the subjects are discussed. Mr. Huss also observed that, as a result of questions raised at those Port Council meetings, the staff often revise their recommendations or look at matters in different ways before they are presented to the Authority Members for their consideration.

Public Comment:

Ms. Gladfelter then asked if anyone from the public wished to make any comments, but no one responded.

Then, at approximately 10:34 a.m., Ms. Gladfelter entertained a motion to go into executive session to discuss the Authority's strategy with respect to contract negotiations with nonunion personnel and litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's negotiating and litigating positions. After Ms. Gladfelter announced that these matters included the Authority's employment contract with Robert B. Davis and the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project, and that the Members may also conduct contract negotiations with Mr. Davis in executive session, she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to go into executive session to discuss the Authority's strategy with respect to contract negotiations with nonunion personnel and litigation matters, and to conduct contract negotiations with nonunion personnel.

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

**Documents and Exhibits Used at the
November 15, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. November 15, 2016 Meeting Memorandum, revised November 14, 2016.
2. Minutes of the October 18, 2016 Meeting in Public Session (draft).
3. Minutes of the October 31, 2016 Meeting in Public Session (draft).
4. Business Summary for the Month of September 2016.
5. Staff Summary #L-462, dated November 7, 2016 – Hy-Line's Request to Extend 2017 Fall Inter-Island Schedule.
6. Staff Summary #L-463, dated November 7, 2016 – Approval of Island Commuter Corporation's Request for Additional Services.
7. Staff Summary #L-464, dated November 7, 2016 – Approval of Proposed Revisions to the Authority's Procurement Policy.
8. Letter from Donna Rosa of Eversource Energy to Wayne Lamson, dated November 9, 2016, with enclosed Easement for Electric Service at 228 Palmer Avenue, Falmouth.
9. Staff Summary #L-465, dated November 14, 2016 – Contract No. 23-2016, "New Modular Temporary Building, Woods Hole Ferry Terminal."
10. Staff Summary #E 2016-21, dated November 9, 2016 – Contract 25-16, "Dry-dock and Overhaul Services for the *M/V Katama*."
11. Staff Summary #GM-676, dated November 8, 2016 – Award of Contract No. 27-2016, "Access Control Reader & Interface in Connection with Point of Sale Ticketing System."
12. Minutes of the Port Council's November 2, 2016 Meeting (draft).
13. Statement to be Read Prior to Going into Executive Session.

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

**The Meeting in Public Session
December 20, 2016**

The Members of the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority met this 20th day of December, 2016, beginning at 9:30 a.m., in the mansion of Highfield Hall and Gardens, located at 56 Highfield Drive, Falmouth, Massachusetts. All five Members were present: Chairman Elizabeth H. Gladfelter of Falmouth; Vice Chairman Moira E. Tierney of New Bedford (who participated remotely by Skype); Secretary Robert F. Ranney of Nantucket; Robert R. Jones of Barnstable; and Marc N. Hanover of Dukes County.

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

Video and Audio Recording of Today's Meeting:

Ms. Gladfelter announced that All Media Productions was making a video and audio recording of today's meeting in public session for Martha's Vineyard Community Television, also known as MVTV.

Ms. Tierney's Remote Participation in the Meeting:

Ms. Gladfelter announced that she had been notified by Ms. Tierney that she desired to participate remotely in this meeting because her geographic distance from Falmouth made her physical attendance today unreasonably difficult. Ms. Gladfelter stated that she agreed with Ms. Tierney and that, as the

Authority's Chairman, she had determined that Ms. Tierney's physical attendance was unreasonably difficult due to her geographic distance from Falmouth and that, therefore, she may participate remotely in this meeting, which includes voting on all matters. Ms. Gladfelter noted that Ms. Tierney would be doing so by Skype, and that she would be clearly audible to the other Members and each of the other Members would be clearly audible to her. Finally, Ms. Gladfelter announced that, due to Ms. Tierney's remote participation in this meeting, all votes taken by the Members today would be by roll call vote.

Recognition of Retired Barnstable Member Robert L. O'Brien:

The Authority recognized Robert L. O'Brien for his 25 years of service as the Town of Barnstable's Authority Member, as more fully set forth in Appendix A to these minutes.

Recognition of Public Officials:

Ms. Gladfelter recognized Falmouth Selectmen Doug Jones and Douglas C. Brown in the audience and thanked them for attending today's meeting.

Minutes:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to approve the minutes of the Members' meeting in public session on November 15, 2016.

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

Results of Operations:

Mr. Lamson summarized the results of the Authority's operations for October 2016, as set forth in a business summary for that month which had been provided to the Members and the public. Mr. Lamson reported that the Authority had carried more passengers (up 5.8%), more automobiles (up 4.4%) and more trucks (up 1.1%) during the month than it had carried during the same month in 2015. Mr. Lamson further reported that the Authority's net operating income for the month had been around \$1,317,000, approximately \$776,000 higher than what had been projected, with operating revenues and other income \$538,000 higher than projected and the Authority's operating expenses, fixed charges and other expenses \$238,000 lower than projected.

Mr. Lamson also reported that the Authority's net operating income for the first ten months of 2016 had been \$16,202,000, around \$4,649,000 higher than expected, with operating revenues and other income having been \$4,217,000 higher than projected during that period and operating expenses and fixed charges \$432,000 lower than projected. Mr. Lamson noted that the extra vessel maintenance expenses that the Authority had incurred this year, including the dock repairs at the Nantucket terminal and the dry-docking expenses for the *M/V Governor* and the *M/V Sankaty*, had been offset with lower-than-budgeted fuel oil prices and health care claims paid from the Authority's self-funded medical plan.

After noting that he lives on an island where gasoline costs \$3.61 per gallon, Mr. Ranney asked why the Authority's vessels had sailed 4,594 fewer miles than budgeted through October 2016 but had consumed 52,000 more gallons of fuel oil than budgeted for that time period. In response, Mr. Davis stated that the budget had been based upon the assumption that the *M/V Woods Hole*'s fuel consumption would be similar to the fuel consumption of the *M/V Nantucket*, but that the assumption was incorrect and approximately two-thirds of that variance in vessel fuel consumption was attributable to the *M/V Woods Hole*. But Mr. Davis also noted that the *M/V Woods Hole*'s fuel consumption had been trending downward prior to the time it went into repair earlier this month, although a portion of that trend was due to the fact that it had begun operating on the Nantucket route. In response to a question from Mr. Hanover, Mr. Davis stated that the fuel consumption of all of the Authority's vessels is about 9% to 10% lower when they operate on the Nantucket route, as they operate fewer trips and spend less time at the dock.

Woods Hole Terminal Reconstruction Project:

Mr. Lamson then reported that, earlier this month, the Authority had its kick-off meeting with Triumph Modular, Inc., the company that is constructing the temporary Woods Hole terminal building and that Triumph had informed the Authority that it expects the building to be completed by the end of June 2017 even though the contract does not require it to be completed until the end of December 2017. Meanwhile, Mr. Lamson said, the Authority's engineers are working on the plans and specifications for all of the phases of the marine work and related site work, and that the staff hopes to be able to issue an invitation of bids for that contract by the third quarter of 2017 so that the marine construction contract can be awarded in the fall, assuming that the Authority then has its final Chapter 91 waterways license for the project at that time.

Construction of the Authority's New General Offices:

Mr. Lamson further reported that G&R Construction, Inc. had begun the construction of the Authority's new administrative offices in the Palmer Avenue parking lot and had started to pour the footings for the foundation. Mr. Lamson noted that the schedule calls for the foundation work to be completed by the end of February, weather permitting, and the Authority to be able assume occupancy of the building by the end of 2017, at which point the Authority will then be in a position to start demolition of the current terminal building in Woods Hole

The *M/V Sankaty*:

Mr. Lamson reported that the *M/V Sankaty* was back in line service after having been in the shipyard since June, and he noted that the shipyard work included the installation of ballast tanks to help the vessel's Captains maintain the desired trim in the stern when operating in lightly loaded conditions. In this regard, Mr. Lamson stated that the crews were still experimenting with the new ballast tanks to determine when they need to be used. Mr. Lamson also noted that the original shipyard contract was in the amount of \$1,550,000 and that most of the \$429,000 worth of change orders that were incurred, which brought the adjusted contract price to \$1,979,000, were attributable to the need to replace more of the hull's steel than anticipated.

In response to a question from Mr. Huss, Mr. Walker stated that the *M/V Sankaty*'s space below deck is all clear and that the Chief Engineer can walk from the bowthrusters to the main engine room. Then, in response to a question from Mr. Hanover, Mr. Walker stated that the *M/V Sankaty*'s engines will last another five years, when the plan is to dispose of the *M/V Governor* and install the *M/V Governor*'s engines in the vessel; but he stated that if the Authority decides not to dispose of the *M/V Governor* at that time, there should be a discussion at some point about whether the Authority should repower the *M/V Sankaty*.

Revised 2017 Martha's Vineyard Early Summer Operating Schedule:

Mr. Lamson asked the Members to approve a correction to the Authority's 2017 Early Summer Schedule for the Martha's Vineyard route confirming that, from May 16 through June 14, 2017, the *M/V Woods Hole*'s 6:30 p.m. trip from Woods Hole will go to Vineyard Haven seven days a week instead of going to Vineyard Haven Mondays through Thursdays and to Oak Bluffs Fridays through Sundays. As a result, Mr. Lamson said, the *M/V Woods Hole*'s 7:30 p.m. trip off-island on Fridays, Saturdays and Sundays during this time period will also leave from Vineyard Haven instead of from Oak Bluffs. Mr. Lamson noted that this correction will make the schedule for this time period essentially the same as the schedule the Authority operated on this route during the same time period this past year.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to approve the revised 2017 Martha's Vineyard Early Summer Operating Schedule (for the period from May 16, 2017 through June 14, 2017) as proposed by management in Staff Summary #TPF-2016-16 (revised), dated December 19, 2016.

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

Advertisement of Proposed Revisions to the
2017 Late Summer and Fall Operating Schedules:

Mr. Lamson recounted how there had been a few weeks at the beginning of the Authority's Fall Operating Schedule this past year when it was not able to keep up with traffic demand on either the Nantucket route or the Martha's Vineyard route. Therefore, Mr. Lamson said, the staff was recommending that next fall the Authority delay the start of the vessel repair period (even though the *M/V Martha's Vineyard* will be undergoing its mid-life refurbishment during this period and will not be available to provide service) in order to be able to provide more service during the same time next year. Specifically, Mr. Lamson stated that the staff was proposing that the Authority publish advertisements in the local newspapers of the following proposed schedule changes to the 2017 Fall Operating Schedules:

- Under the approved 2017 Late Summer Schedule for the Nantucket route, from September 19, 2017 through October 15, 2017, the *M/V Woods Hole* is scheduled to operate the second daily hazardous trip from Nantucket (leaving at 2:15 p.m.) on Mondays through Fridays. Mr. Lamson stated that the staff was proposing instead that the *M/V Gay Head* operate that second daily hazardous trip (leaving Nantucket at 1:30 p.m. on Mondays through Fridays) so that the *M/V Woods Hole's* 2:15 p.m. trip will be available for vehicle reservations and passengers.
- Under the approved 2017 Fall Operating Schedules, from October 16, 2017 through January 4, 2018, only two vessels are scheduled to provide service on the Nantucket route, one large ferry (either the *M/V Eagle* or the *M/V Nantucket*) and one freight boat, both of which will be triple-crewed. Mr. Lamson stated that the staff was proposing to add another single-crewed freight boat on that route from October 16, 2017 through October 27, 2017, which will also provide two round trips per day on Mondays through Fridays during that period.
- Also under the 2017 Fall Operating Schedules, from October 16, 2017 through January 4, 2018, only three vessels are scheduled to provide service on the Martha's Vineyard route, two large ferries (the *M/V Island Home* paired with either the *M/V Nantucket* or the *M/V Woods Hole*), both of which will be triple-crewed, and one freight boat (the *M/V Sankaty*) that is scheduled to be double-crewed. Mr. Lamson stated that the staff was proposing to replace the *M/V Sankaty* on this route with the *M/V Katama* for the entire schedule and that, from October 16, 2017 through October 27, 2017, to add the *M/V Woods Hole* to this route with a triple crew so that it can provide seven additional round trips per day. Further, after the

M/V Woods Hole stops providing service on this route on October 28, 2017, Mr. Lamson stated that the staff was proposing to continue to triple crew the *M/V Katama* through December 5, 2017 and berth it overnight on the island during that time so that its first trip from Vineyard Haven will be at 5:30 a.m.

Mr. Lamson observed that the proposed revised schedules essentially would extend the late summer schedules for both routes through October 27, 2017, except that, on the Nantucket route, the *M/V Sankaty* instead of the *M/V Woods Hole* will be triple-crewed from October 16, 2017 to October 27, 2017 and, on the Martha's Vineyard route, all of the service will operate out of Vineyard Haven after October 15, 2017. Mr. Lamson also noted that, as in the approved schedules, the arrival and departure times of most of the freight boat trips on the Martha's Vineyard route would be delayed by five minutes so that they arrive and leave 20 minutes, instead of 15 minutes, after the larger passenger vessels.

After Mr. Lamson described the staff's proposed changes to the 2017 Late Summer and Fall Operating Schedules, the Members agreed that the Authority should advertise them in the local newspapers to provide the public with the opportunity to comment on them before the Members vote on proposed schedule changes at the Authority's next meeting in January 2017.

Licensed Ferry Operators' Passenger
Statistics for the 2016 Summer Season:

Mr. Lamson noted that the Members had been provided with a report showing the number of passengers carried by the Authority and its licensed ferry operators during the months of May through October 2016 compared to the same time period the previous year. Mr. Lamson observed that this past summer was the first year that SeaStreak operated its ferry service between New Bedford and Nantucket as well as the first year that Hy-Line had discontinued its traditional ferry service between Hyannis and both Nantucket and Oak Bluffs.

Mr. Lamson then reported that the number of passengers carried to and from Martha's Vineyard this past summer (not counting passengers carried on the *M/V Island Queen*, which is not licensed by the Authority and, therefore, does not have to report the number of passengers it carries) had increased by 1.5%, and that the number of passengers to and from the island carried by the Authority had increased by 2.3%. On the other hand, Mr. Lamson said, the number of passengers carried to and from Nantucket this past summer had

increased by 6.3%, and the number of passengers to and from Nantucket carried by the Authority had increased by 2.1%.

Access and Monitoring Agreement with Ellen Tully:

Mr. Lamson then asked the Members for authorization to enter into a letter agreement with Ellen Tully, who owns the property south of the Authority's Woods Hole terminal, setting forth the terms and conditions under which the Authority will be allowed to conduct surveys from her property of the beach and eelgrass beds that are situated to the south of the terminal that are to be submitted to the Falmouth Conservation Commission. Mr. Lamson further noted that the letter agreement also sets forth the conditions under which the Authority will monitor her property for potential damage during the construction of the new Slip #1 (which will be the southernmost slip). Mr. Lamson observed that if the monitoring indicates that excessive pile driving activities might result in damage to her property, the contractor will then be required to stop and use a different method.

In response to a question from Mr. Jones, Mr. Sayers stated that the Order of Conditions issued by the Falmouth Conservation Commission for the Woods Hole terminal reconstruction project requires the Authority to conduct beach and eelgrass surveys for three years after the completion of the project, and that the letter agreement with Ms. Tully would continue to be in force during that same time period.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Ms. Tierney -- to authorize the General Manager to execute on behalf of the Authority a letter agreement with Ellen D.B. F. Tully regarding the Woods Hole Terminal Project, in the form provided to the Members and dated December 9, 2016.

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

United States Coast Guard Letter of Commendation to
Captain David Moore and the crew of the *M/V Nantucket*:

Mr. Lamson informed the Members that, at a recent United States Coast Guard Port Safety & Security Forum in Hyannis, Captain Richard J. Schultz, Commander of Sector Southeastern New England, had presented Authority Captain David Moore with a letter of commendation, which read as follows:

Please accept my sincere thanks for your swift actions while serving as master aboard the M/V NANTUCKET while the ferry was en route from Hyannis to Nantucket on the morning of August 30, 2016. During that transit, a fisherman fell overboard from the commercial fishing vessel SKY PIE into the waters of Nantucket Sound. Fortunately, you were in command of the M/V NANTUCKET and immediately mobilized your crew, diverted the ferry from its route to the vicinity of the F/V SKY PIE, and quickly launched the vessel's rescue boat.

Your crew swiftly maneuvered the M/V NANTUCKET's rescue boat into close proximity of the distressed fisherman to quickly and safely recover the individual within minutes. Once safely aboard the rescue boat, first aid was promptly and properly administered. The fisherman survived this perilous accident due entirely to your professional response and that of your crew.

The swift actions, sound judgment, and expert seamanship displayed by you and the crew of the M/V NANTUCKET undoubtedly saved a fisherman's life and are in keeping with the highest traditions of the United States Coast Guard.

Mr. Lamson noted that, earlier in the year, he and Port Captain Charles G. Gifford had sent a letter of commendation to each of the *M/V Nantucket*'s crew members on duty that day, who were:

Captain David Moore	Pilot/Mate Christopher Keating
Purser/AB Barry Fuller	Boatswain/AB Carlos Tavares
Able Seaman Timothy Smith	Able Seaman Richard Fraser
Able Seaman Tom Kelleher	Ordinary Seaman Doug Aguiar
Chief Engineer Edward Kelleher	Oiler Bruce Demers

Mr. Lamson then read the letter of commendation that he and Captain Gifford had sent commending each of them for their actions on the morning of August 30, 2016:

Your performance was immediate, proficient and composed which resulted in saving the life of a fisherman that fell overboard in Nantucket Sound from the F/V Sky Pie.

The timely response was paramount and the reaction of the M/V Nantucket crew, under the direction of Captain Moore, was critical for the survival of the fisherman. The command and control of the situation was performed admirably and the highly proficient crew, under the direct supervision of Pilot/Mate Keating, performed their duties in a skilled and professional manner resulting in a positive outcome. The rescue boat crew, consisting of Able Seaman Smith and Able Seaman Fraser, were skilled and effective as they maneuvered the boat to allow for a safe retrieval of the fisherman out of the water. Once transferred to the deck of the Sky Pie, Smith and Fraser attended to the life safety issue of the fisherman.

The maritime industry can be a hazardous occupation; the commercial fishing industry is one of the most dangerous professions in the United States and the many fatalities support that. This particular case demonstrated the overall command, leadership and crew actions that prevented another fatality to be recorded.

From the Steamship Authority, to the crew of the M/V Nantucket, your actions and professionalism represent the best of who and what we are. Your actions are highly commendable and keeping with the highest traditions for the safety of life at sea and we thank you.

Mr. Hanover also commended the professionalism of the Authority's employees this past Saturday, when the Martha's Vineyard Hospital had to transport a woman who was in extremely critical condition to Boston as soon as possible and no planes were flying from the island. Mr. Hanover recounted how, while the hospital was stabilizing the patient, the Authority had held a boat for thirty minutes and then transported her to the mainland as quickly as possible. While Mr. Hanover observed that the woman later passed away, he stated that the Authority's efforts were greatly appreciated by her family, the hospital and everyone else who was involved.

Resolution Authorizing the Sale of Steamship Bonds:

Mr. Davis then asked the Members to adopt a Bond Resolution authorizing him to issue and sell up to \$12,685,000 of Steamship Bonds on a competitive basis not later than February 23, 2017 in order to fund the construction of the SSA's new administrative offices building, noting that the Authority currently has \$66,310,000 of bonds outstanding with a maximum bond authorization of \$100,000,000. Mr. Davis stated that Clark Rowell of Unibank Fiscal Advisory Services, the Authority's fiscal advisor on bond issues, had prepared four options on how the principal of the new bonds could be paid back, either over ten years or twelve years, depending upon whether the Authority wants to maintain a level overall debt service yearly payment obligation over that time period or would prefer to pay back the principal of the new bonds on a straight-line basis even though it would result in higher overall debt payments for the first five years.

Mr. Davis stated that, while each option had its own advantages and disadvantages, the staff was recommending that the Authority elect to pay down the principal of the new bonds on a straight-line basis over ten years because it will accommodate the Authority's future capital needs within its existing bond limit sooner than the other options. Mr. Davis observed that, if this option were selected and assuming that the bonds are issued at an effective 2.87% net interest rate, the Authority's annual debt service payments would be between \$8,700,000 and \$10,000,000 for the next five years, and then drop off to around \$6,700,000 for the following seven years. Mr. Davis stated that, based upon the amount of the transfers that the Authority has been making to its special purpose funds, the staff believes that the Authority can absorb those higher principal payments during the first five years of the new bond issue, and he noted that the Port Council similarly had voted to recommend it.

However, Mr. Hanover expressed his concern about the shorter payment period, which he observed would result in higher debt service payments when the Authority will be starting the Woods Hole terminal reconstruction project. But Mr. Balco noted that the Authority has sufficient reserve funds and he stated that, especially since interest rates were rising, it would better to pay off the new bond issue as quickly as possible. Mr. Lamson also stated that, if the principal amount of the new bond issue were paid down more quickly, within a few years the Authority should be able to issue additional bonds to fund a new replacement vessel without having to ask the Legislature to increase its bonding capacity. Finally, Mr. Huss noted that the Port Council similarly had concluded that the Authority should pay down the principal of the new bond issue on a straight-line basis over ten years.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to adopt a Bond Resolution authorizing the Treasurer/Comptroller to issue and sell on a competitive basis not later than February 23, 2017 pursuant to an Official Notice of Sale up to \$12,685,000 of Steamship Bonds at a price not less than par and accrued interest, as recommended by management in, and in substantially the form attached to, Staff Summary #A601, dated December 14, 2016.

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

Contract for ATM Machines at the Authority's Ferry Terminals:

Mr. Davis then asked the Members to award Contract No. 26-2016, which allows a local bank to have an ATM machine at each of the SSA's ferry terminals for the next five years, as follows:

- to Cape Cod Five Cents Savings Bank for permission to have an ATM machine at each of the Hyannis and Nantucket terminals for \$9,000 per year in compensation; and
- to Martha's Vineyard Savings Bank for permission to have an ATM machine at each of the Woods Hole, Vineyard Haven and Oak Bluffs terminals for \$69,500 per year in compensation.

Mr. Davis noted that these were the only two banks who had submitted responses to the Authority's request for proposals for Contract No. 26-2016, and that their combined proposals reflect a 61% increase in the compensation that will be received by the Authority for allowing a bank to have an ATM at each of the terminals.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Ms. Tierney -- to award Contract No. 26-2016 to Cape Cod Five Cents Savings Bank with respect to the installation of ATMs at the Authority's Nantucket and Hyannis terminals, and to Martha's Vineyard Savings Bank with respect to the installation of ATMs at the Authority's Woods Hole, Vineyard Haven and Oak Bluffs terminals, as recommended by management in Staff Summary #A-602 (revised), dated December 14, 2017.

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

Mr. Hanover abstained from voting on this matter and left the meeting at this time.

Change Order for Testing Services to the Authority's
Design Contract with Bertaux + Iwerks Architects, LLC:

Mr. Lamson then asked the Members to approve a change order to the Authority's design contract with Bertaux + Iwerks Architects, LLC for the Woods Hole terminal reconstruction project to provide construction phase testing services for both the new administrative offices building and the temporary Woods Hole terminal building. Mr. Lamson noted that both buildings will need special inspections and testing services during structural steel erection and other related work, concrete foundation and slab placement, and excavation and compaction of fill in the proposed building pads, and that the cost for these additional testing services is \$189,335.

IT WAS VOTED -- upon Mr. Ranney's motion, seconded by Mr. Jones -- to approve a change order to the Authority's design contract with Bertaux + Iwerks Architects, LLC in the amount of \$189,335 to provide construction phase testing services for both the new administrative office

**building and the temporary Woods Hole terminal building,
as recommended by management in Staff Summary #GM-
677, dated December 15, 2017.**

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

Mr. Hanover rejoined the meeting at this time.

Port Council's Report:

Mr. Huss reported that, at their meeting earlier in the month, the Port Council had discussed everything that had been considered by the Members that day, as well as the mid-life refurbishment of the M/V Martha's Vineyard. In this regard, Mr. Huss noted that Mr. Walker was looking into the suggestion he had made at the meeting to move the stanchion that is located on the port side of the vessel's freight deck near the stern, as it poses a major problem for customers who have to drive their vehicles down that side. In response, Mr. Walker stated that he was still looking into it. Mr. Huss also reported that Mr. Balco had suggested that the Authority keep the public informed of what is going on with the Woods Hole terminal reconstruction project, and that he had suggested keeping the Oak Bluffs terminal open during the two weeks in October 2017 when the summer operating schedules are effectively extended (although he noted that Mr. Balco disagreed with him).

Mr. Huss also announced that the Port Council had voted to elect the following members to be their officers for the year 2017: Mr. Balco as Chairman; Nantucket Port Council member Nathaniel Lowell as Vice Chairman; and New Bedford Port Council member Edward Anthes-Washburn as Secretary.

Employment Agreement with Robert B. Davis:

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the Chairman to execute an Employment Agreement with Robert B. Davis in substantially the form attached to Staff Summary #GM-680, dated December 15, 2016.

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

Process for the Selection of the
Authority's Next Treasurer/Comptroller:

Mr. Lamson then observed that the Authority will have to fill not only the position of Treasurer/Comptroller by July 1, 2017, but also the position of Assistant Treasurer by the time that the Authority's current Assistant Treasurer retires at the end of February 2017, and he suggested that he issue a notice to see if there are any Authority employees who are qualified for either of those positions and are interested in applying for them. Mr. Lamson stated that he hopefully will then be able to report back to the Members at their next meeting with a recommendation as to whether any internal candidates should be considered for either of those positions.

However, Mr. Hanover observed that the Authority still had not received the results of Towers Watson's survey of salaries of comparable positions in other organizations, and he stated that the Authority could not advertise any positions until it knows what salaries it should be paying. In response, Mr. Parent stated that the Authority should have the results of the survey before its next meeting in January 2017.

In response to a question from Mr. Jones, Mr. Parent stated that each of the Authority's management positions had a salary range and that there was a concern that the Authority's salary ranges are lower than salary ranges for comparable positions at other organizations. Therefore, Mr. Parent said, Towers Watson's survey may prompt the Authority to increase its management salaries across the board. Mr. Hanover agreed, and after he stated that he felt the Authority's salaries were too low and would need to be increased across the board, Mr. Ranney observed that this transition period would be the perfect time to do it.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to authorize the General Manager to advertise for internal candidates for the Authority's Treasurer/Comptroller and Assistant Treasurer positions.

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

Election of Officers:

Ms. Gladfelter noted that, in accordance with the Authority's Enabling Act, Ms. Tierney, as the Authority's New Bedford Member, will automatically become the Authority's Chairman for the year 2017. Ms. Gladfelter further noted that the Enabling Act also requires the Members to elect one of themselves to be the Authority's Vice Chairman and Secretary, and she entertained motions for the election of those officers for the upcoming year.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to elect Robert F. Ranney to serve as the Authority's Vice Chairman for the year 2017.

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

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Ranney -- to elect Robert R. Jones to serve as the Authority's Secretary for the year 2017.

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

2017 Authority Meeting Schedule:

Mr. Lamson presented the Members with a proposed 2017 Authority meeting schedule, which called for meetings on the third Tuesday of every month during the year except for the months of January and September, when the meetings would be on the fourth Tuesday of the month. Ms. Gladfelter asked that the Authority's May meeting also be held on the fourth Tuesday of that month (May 23rd instead of May 16th), and the other Members agreed. In response to a question from Mr. Hanover, Mr. Lamson stated that, as of then, the schedule did call for a meeting during the month of February.

The Year 2016:

Ms. Gladfelter thanked her fellow Members, as well as Mr. O'Brien, for their service this past year, the Port Council for all of their wise advice, the staff for all of the information they provide the Members and, last but not least, all of the Authority's employees for making 2016 a successful year for the Authority, and she described some of the Authority's accomplishments this past year as more fully set forth in Appendix B to these minutes.

IT WAS VOTED -- upon Mr. Hanover's motion, seconded by Mr. Jones -- to send a letter to all of the Authority's employees commending them on making 2016 an outstanding year for the Authority and thanking them for their service.

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

Public Comment:

Ms. Gladfelter then asked if anyone from the public wished to make any comments, but no one responded.

Then, at approximately 10:55 a.m., Ms. Gladfelter entertained a motion to go into executive session to conduct contract negotiations with nonunion personnel, to consider the purchase, exchange, lease or value of real property, and to discuss the Authority's strategy with respect to collective bargaining and litigation matters, because a public discussion of these matters may have a detrimental effect on the Authority's bargaining, negotiating and litigating positions. After Ms. Gladfelter announced that these matters included:

- the potential renewal of leases with Woodland Trust for the property located at 1251 Route 28A in Cataumet, and with the Town of Bluffs for a portion of Sea View Avenue in Oak Bluffs;

- the collective bargaining negotiations for new agreements with Teamsters Union Local 59 governing the terms and conditions of employment for the Authority's parking lot attendants and bus drivers, security employees, and licensed deck officers;
- the administrative appeal by thirteen Falmouth residents requesting an adjudicatory hearing on the Authority's DEP Waterways Application No. W16-4601 for the Woods Hole terminal reconstruction project; and
- the Authority's employment agreement with Mr. Lamson;

she stated that the public disclosure of any more information with respect to these matters would compromise the purpose for which the executive session was being called. Finally, Ms. Gladfelter announced that the Members would not reconvene in public after the conclusion of the executive session.

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

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

A TRUE RECORD

ROBERT F. RANNEY, Secretary

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

The Meeting in Public Session

December 20, 2016

The Authority's Recognition of
Retired Barnstable Member Robert L. O'Brien

Chairman Elizabeth H. Gladfelter: The year was 1991 – 25 years ago. Robert O'Brien had already compiled a lengthy and distinguished list of accomplishments serving his country and his fellow citizens for almost 50 years.

During World War Two, Bob served in the European theatre patrolling the Atlantic and Mediterranean and, after graduating from Boston College, he served in the United States Coast Guard for more than 30 years.

- In Alaska he was in command of a 125' Active-Class Patrol Boat, the *USCGC Cahoone*, and then, back in Boston, he commanded a 310' Cutter, the *USCGC UNIMAK*.
- Bob was promoted to Chief of Staff of the First Coast Guard District (when it extended from Maine to Delaware); and ultimately became the Coast Guard's Chief Financial Officer, serving as its Comptroller in Washington, DC.

After the Coast Guard recognized Bob's accomplishments by including him in its Legion of Merit for his "Performance of Outstanding Service," one would have expected anyone else with this remarkable career simply to rest on his laurels.

But not our Bob. Consistent with his tremendous commitment to public service, he ended up heading the Town of Barnstable's Department of Public Works and, after retiring from there, continued to serve the Town as its Budget Director. In that position, he played an important role in the Town's winning the

national “Distinguished Budget Presentation Award,” which the Town has won for over fourteen consecutive years. And Bob has repeatedly helped out the Town by serving again and again as its temporary Assistant Town Manager, which he is doing once more even today.

Thankfully for us, Bob was in the right place at the right time in 1991 when the Legislature amended the Authority’s enabling act to expand the Authority’s then-three Member Board by adding a fourth non-voting Board Member from the Town of Barnstable. The Barnstable Town Council quickly appointed the most qualified person in Barnstable to fill this position, and, in July 1991, Bob became the Town’s first representative on the Authority’s Board.

And while, at that time, the Legislature did not give Bob a vote on this Board, it did give the Town of Barnstable a vote – spelled V E T O – over all of the Authority’s major capital projects in that Town, and for the next ten years Bob played a crucial role in fashioning the Authority’s capital projects in Hyannis so that they both greatly improved the Authority’s operations and were welcomed by the Hyannis community. These included:

- Acquiring the waterfront property adjacent to the Authority’s Hyannis terminal to construct a second ferry slip and a new terminal building there, while dedicating a portion of the expanded terminal as a public park and expanding Hyannis’ walkway along the waterfront.
- Acquiring property with access to both Main Street and Lewis Bay Road to use as an off-site parking lot within short distance to the Hyannis terminal, while dedicating a portion of the property as an area where members of the public who use the Town Boat Ramp at the end of Lewis Bay Road can park their boat trailers.
- Acquiring the Hinckley Lumber Yard property at the corner of Main Street and Yarmouth Road to build an off-site parking lot and satellite maintenance shop, while conveying the Hinckley building itself to the Town for the community’s use.

And Bob continued to oversee more capital improvements to the Authority’s Hyannis facilities even after 2002, when the Legislature took away the Town’s veto in exchange for giving Bob a vote on the Board with the same weight as the vote that I hold as the Town of Falmouth’s representative. These include another Hyannis slip improvements project, which now allows us to operate our high-speed passenger ferry from a separate slip than the two other slips used by our passenger/vehicle ferries.

Bob's expertise from his decades of service in the Coast Guard were also vividly on display over the last 25 years during the transformation of the Authority's entire fleet. As fellow Board Members, we particularly have enjoyed how Bob has held the staff's feet to the fire through his sharp questioning of each project, while consistently supporting their efforts. His knowledge and input informed all of the Board's considerations, including:

- Our decision to acquire two freight boats at bargain-basement prices, the *Sankaty* and the *Governor*, and then significantly upgrade them, as well as the Authority's other two freight boats, the *Katama* and the *Gay Head*, through a combination of repowering them, lengthening them and widening them;
- Our decision to build three new boats, the *Martha's Vineyard*, the *Island Home* and, most recently, the *Woods Hole*, that were individually designed to meet the unique needs of our operating routes;
- Our decision to undertake the mid-life refurbishment of the two passenger/vehicles ferries that pre-dated his involvement with the Authority, the *Nantucket* and the *Eagle*; and
- Our decision, ten years ago, to replace the Authority's beleaguered high-speed passenger ferry, the *Flying Cloud*, with a new high-speed passenger ferry.

It was a tribute to Bob then that, when it came time to name that new high-speed ferry, out of the 199 names that had been suggested by the public, the Board's Nantucket Member, Flint Ranney, moved to name the Authority's flagship high-speed ferry the *Iyanough* in gratitude for how well the two communities were working and cooperating together.

But that tribute was not surprising. Throughout his 25 years with the Authority, Bob has gained the respect of all of the Board members for being a voice of reason, wisdom and tolerance during good times and bad. He has helped guide us safely through numerous labor issues, including the unforgettable "Summer from Hell" in 1999 and the several times when the unlicensed vessel employees went for years without a contract, prompting them to change unions four times over the course of Bob's tenure. Bob was also the pillar of restraint when, fifteen years ago, the Board was drawn into the center of political theatre that threatened to divide all of our communities.

Bob not only helped the Authority get through all of those rough waters, but also to become the stronger for them. Because he has discharged his fiduciary duties so well over the years, we – the current Board – have much smoother sailing ahead of us. We are all grateful to him and, in a sign that his

good work will go on, next month we hope to approve the contract for the mid-life refurbishment of the *Martha's Vineyard*, the first boat the Authority had built during Bob's tenure in the early 1990s.

Bob – Thank you – the Authority would not be in the good shape it is today without you, your guidance and your leadership. We will miss you at our meetings, but we will do our best to follow your example as you pass the torch to Bob Jones and the Authority continues to move full steam ahead. Thank you very much.

Robert L. O'Brien: Most of what you had to say really was a tribute to the Board itself. It would not have happened without all of the Board being together.

General Manager Wayne C. Lamson: Bob, on behalf of the Authority and all of the Board Members and the Port council, it is my honor to present this chair in recognition of your 25 years as the Town of Barnstable's Authority Member, and we wish you most success in the future.

Mr. O'Brien: Thank you very much.

Mr. Lamson: I also have a citation from the Governor and Lieutenant Governor, which reads:

Robert L. O'Brien

On behalf of the citizens of the Commonwealth of Massachusetts, I am pleased to confer upon you this Governor's Citation in recognition of your 25 years of outstanding, dedicated, and distinguished public service to the Town of Barnstable and the Steamship Authority - and your contributions to improving Ferry Service for the traveling public while serving as the Town of Barnstable Member on the Woods Hole, Martha's Vineyard and Nantucket Steamship Authority Board of Governors.

This sixteenth day of December in the Year 2016

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Mr. Lamson: I also have a citation from the House of Representatives, which reads:

Be it hereby known to all that:

The Massachusetts House of Representatives
offers its sincerest congratulations to:

Robert L. O'Brien

in recognition of

Your twenty-five years of dedicated and steadfast service to our constituents that rely on the Steamship Authority, as the well-respected Governor entrusted to represent the Town of Barnstable,

The entire membership extends its very best wishes and expresses the hope for future good fortune and continued success in all endeavors.

Given this 20th day of December, 2016
At the State House, Boston, Massachusetts

By Robert A. DeLeo
 Speaker of the House

Offered by State Representative
 Timothy R. Madden

With Representative William Straus
 Representative Timothy Whelan
 Representative Brian Mannal
 Representative David Vieira
 Senator Viriato deMacedo
 Senator Daniel Wolf

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

The Meeting in Public Session

December 20, 2016

Chairman Elizabeth H. Gladfelter's List of
the Authority's Accomplishments in 2016

The M/V Woods Hole went into service after her commissioning in June 2016. Following an internal analysis of the Authority's vessel needs, she was designed by Elliott Bay Design Group of Seattle, Washington, and constructed by Conrad Shipyard of Morgan City, Louisiana. She has been popular with Authority customers and employees, and also has been very reliable; she has not had any runs cancelled to date for mechanical issues, which is remarkable for a new vessel. She is a beauty.

The Woods Hole Terminal Reconstruction Project has received most of the permits and approvals necessary for the project, including an Order of Conditions from the Falmouth Conservation Commission, a Water Quality Certification from DEP, permission from the US Army Corps of Engineers, and a draft Chapter 91 Waterways License from DEP (which is currently under administrative appeal). The Authority received a variance from the State Building Code of Appeals Board so that the first floor elevation of the temporary terminal building can be lower than the 13-foot base flood elevation for the site; it also received a variance from the Massachusetts Architectural Access Board that will allow the 24-foot gangways on the piers for passenger side loading to be steeper than the maximum slope during high tide conditions. An accessible route will also be provided via the transfer bridge under most tide and vessel load conditions.

The contract for construction of the temporary modular terminal building was awarded to Triumph Modular, Inc. of Littleton, Massachusetts in November 2016. The temporary terminal is due to be completed by the end of 2017.

New Administrative Office Building in the Palmer Avenue Parking Lot: The contract for construction of the building was awarded to G&R Construction, Inc. of Quincy, Massachusetts in October 2016. The contractor broke ground for the project in November 2016, and the building is due for completion by the end of 2017.

Selection of the Authority's Next General Manager: Following Wayne Lamson's announcement that he will be retiring as General Manager on 30 June 2017, the Authority provided its employees the opportunity to apply for the position. A fully qualified internal candidate, Robert Davis, did apply, and in October 2016 the Board unanimously voted to select him to succeed Mr. Lamson as the Authority's next General Manager beginning in 1 July 2017.

Procurement: The Enabling Act was successfully amended to increase the monetary threshold from \$25,000 to \$50,000 before contracts for construction work or for the purchase of equipment, supplies or materials are required to be awarded through competitive bids under Section 15.

Agreement with the Wampanoag Tribe of Gay Head (Aquinnah): The agreement that the Authority entered into with the Tribe in October 2015 was implemented in April 2016 when the Tribe transferred \$200,000 of its Tribal Transportation Program (TTP) funds to the Authority and eligible Tribal members began receiving a 20% discount on their otherwise applicable non-commercial vehicle fares. In October 2016, the Authority and the Tribe agreed to increase that Tribal Fare discount to 40%, as the aggregate amount of the discounts provided to Tribal Members had amounted to only around \$10,000 by the end of that month, a small fraction of the TTP funds that the Tribe has transferred to the Authority.

Electronic Ticketing: In May 2016, the Authority implemented its new electronic ticketing capability for its high-speed passenger ferry between Hyannis and Nantucket. The new system, called "Show and Sail," allows customers to buy high-speed passenger tickets for the *M/V Iyanough* on their mobile devices and then simply show their mobile devices to the terminal employees who are collecting tickets as they are boarding the vessel. The Authority also added a "Show and Sail" video, available on www.steamshipauthority.com, providing customers with an overview of each step of the process.

License Modifications: In November 2015, the Authority amended its license agreements with Hy-Line and SeaStreak so that, beginning 2016, Hy-Line could increase its seasonal high-speed ferry service between Martha's Vineyard and Nantucket from one round trip to three round trips per day (allowing island residents and visitors to make a day trip between the islands) and SeaStreak could start a new seasonal high-speed ferry service between New Bedford and Nantucket. Although the increase in Hy-Line's inter-island service was hindered by the delay in the delivery of its newest high-speed ferry, the M/V Grey Lady IV, its ridership increased by 39% in 2016, carrying more than 13,000 passengers between the two islands, and SeaStreak carried more than 29,000 passengers this past summer between New Bedford and Nantucket.

Feasibility Study of New Bedford Freight Ferry Service: The Authority issued its preliminary report on the feasibility of providing freight ferry service between New Bedford and Martha's Vineyard. While there are still significant challenges ahead before the location of a freight ferry terminal in New Bedford can be identified and a suitable terminal constructed, the Authority has described for further investigation and development its proposed parameters for a potential model for the service that it believes would have the greatest chance of success over the long term. Other options to reduce some of the current truck traffic to and from Woods Hole, such as an alternative to the current trash hauling practice, are actively being considered.

Stormwater Management at the Authority's Thomas B. Landers Parking Lot: The Authority addressed stormwater runoff problems it was having in the southeast corner of its Thomas B. Landers Road parking lot during heavy rain events by constructing additional stormwater management improvements at the site. The improvements included a 14,000 square-foot sand infiltration basin beneath the entire north-to-south length of the parking lot, a 2,400 square-foot, underground rain storage tank system in the southeast corner of the lot, and an underground pump chamber in the southeast corner of the lot to pump excess stormwater from the storage tank, via a 732-foot force main pipe, back up into a 36-inch distribution pipe in the middle of the sand infiltration basin. To date, the system is working well.

Fairhaven Vessel Maintenance Facility: In the spring of 2016, the Authority demolished the so-called "Lobster" building at its Fairhaven vessel maintenance facility. Then site work and landscaping could be completed around its new 9,600 square-foot modular building, which houses administrative offices, an employee break room, warehouse areas, stockroom and several support shops for its vessel maintenance activities.

Martha's Vineyard Reservation Office: In October 2016, the Authority relocated its Martha's Vineyard Reservation Office that was at the Martha's Vineyard Airport to the second floor of its Vineyard Haven terminal, accomplishing a seamless transition when the Authority's lease with the Martha's Vineyard Airport Commission expired on November 30, 2016.

Collective Bargaining Agreements: In September 2016, the Authority entered into new five-year collective bargaining agreements with Teamsters Union Local No. 59 governing the terms and conditions of employment for the Authority's Agency and Terminal Employees and Maintenance Employees, and with District No. 1 – PCD, MEBA (AFL-CIO) governing the terms and conditions of employment for its Licensed Engineering Officers.

"Sail Into Imagination" Student Art Contest: The Authority hosted its first-ever art contest for students in grades K-12 living in the Authority's constituent communities. Students living in Barnstable, Fairhaven, Falmouth, Martha's Vineyard, Nantucket and New Bedford were invited to participate. Conceived to engage students to celebrate our shared heritage of the sea, the students were encouraged to share their vision of traveling aboard the Authority's ferries between Cape Cod and the islands of Martha's Vineyard and Nantucket. Nearly 200 students submitted original artwork inspired by the theme "Sail into Imagination." Following a rigorous round of judging by a panel of experts, thirteen submissions were selected to be showcased in a 2017 calendar – one image for each month and one for the cover.

Noise Complaints at Woods Hole Terminal were addressed by minimizing noise associated with excess idling of trucks and from trucks backing up onto the 5:30 a.m. freight boat at the Woods Hole terminal. All scheduled 5:30 a.m. ferries through 2017 are on drive through vessels.

Customer Service Improvements: The 2016 results from a research project intended to provide insights and understanding of passenger perceptions relative to the Steamship Authority and other island travel options indicated that 92% of travelers rated their experience with the Authority as very good or excellent, up from 85% in 2015.

**Documents and Exhibits Used at the
December 20, 2016 Meeting in Public Session of the
Woods Hole, Martha's Vineyard and Nantucket Steamship Authority**

1. December 20, 2016 Meeting Memorandum, dated December 15, 2016.
2. Minutes of the November 15, 2016 Meeting in Public Session (draft).
3. Business Summary for the Month of October 2016.
4. Staff Summary #TPF-2016-16 (revised), dated December 19, 2016 – Proposed Revised 2017 Martha's Vineyard Spring Operating Schedule.
5. Staff Summary #TPF-2016-15 (revised), dated December 19, 2016 – Proposed Revisions to the 2017 Early Fall, Fall and Late Fall Operating Schedules.
6. Staff Summary #GM-678, dated December 15, 2016 – Summary of Licensed Carriers' Passenger Statistics for the Period May through October 2016.
7. Letter from Ellen D.B.F. Tully to Wayne Lamson, dated December 9, 2016.
8. Staff Summary #GM-679, dated December 15, 2016 – USCG Letter of Commendation to Captain David Moore and the crew on the M/V Nantucket.
9. Staff Summary #A-601, dated December 14, 2016 – Proposed Resolution Authorizing the Sale of Steamship Bonds.
10. Staff Summary #A-602 (revised), dated December 14, 2016 – Contract No. 26-2016 Award of Contract to Install, Maintain and Service an Automated Teller Machine.
11. Staff Summary #GM-677, dated December 15, 2016 – Approval of Change Order in With the Contract for Design Services & Iwerks Architects, LLC.
12. Staff Summary #GM-680, dated December 15, 2016 – Employment Agreement with Robert B. Davis.
13. Minutes of the Port Council's December 7, 2016 Meeting (draft).
14. Proposed 2017 Authority Meeting Schedule, dated December 14, 2016.
15. Statement to be Read Prior to Going into Executive Session.